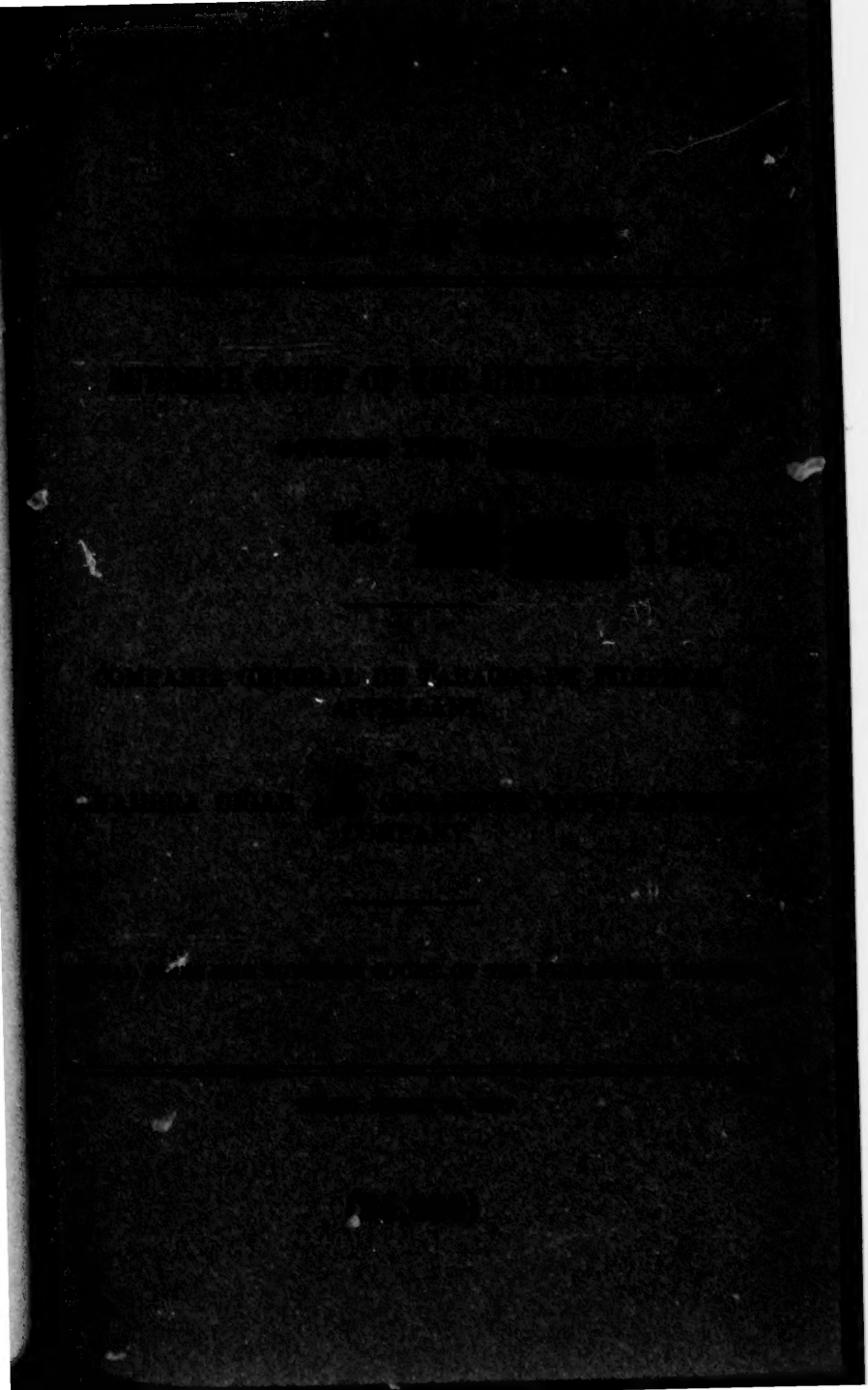


(25,930)

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1916.

No. 1100.

COMPANIA GENERAL DE TABACOS DE FILIPINAS, APPELLANT,

vs.

ALHAMBRA CIGAR AND CIGARETTE MANUFACTURING COMPANY.

APPEAL FROM THE SUPREME COURT OF THE PHILIPPINE ISLANDS.

INDEX.

	Original.	Print
Caption	1	1
Transcript of record from the court of first instance of the city of Manila	1	1
Complaint	2	1
Answer	10	7
Testimony of M. Sancho	12	8
Carl Hess	15	10
E. E. Elser	20	13
Samuel F. Gaches	25	15
T. D. Figuerras	29	18
Antonio Malvehy	32	20
Faustino Perez	46	27
Damian de Urmeneta	48	29
Walter E. Olsen	50	30
F. W. Prising	58	34
Carl Piderit	62	37
John C. Hoffmaster	66	39
Jose McMicking	78	45
Benito Blanco	79	46
P. A. Meyer	80	47
Damian de Urmeneta (recalled)	84	49

JUDD & DETWEILER (INC.), PRINTERS, WASHINGTON, D. C., MAY 4, 1917.

	Original.	Print
Reporter's certificate	85	50
Exhibit A—Translation of registration of trade names, &c.	86	50
B—Extracts from letter of January 23, 1914, &c...	92	53
C—Extracts from letter of February 20, 1914.....	92	54
D—Letter, Baeder to United Cigar Stores Co., February 27, 1914.....	93	54
E—Letter from Havre & Co., April 8, 1914.....	93	54
F—Advertisement of Isabella cigars.....	94	55
Exhibits H to Q, inclusive—(Not set out).....	94	55
Defendant's Exhibits, 1, 2, and 3—(Not set out).....	96	57
Defendant's Exhibit 4—Letter, Kincaid to Kuenzle & Streiff, March 17, 1911.....	96	57
5—Letter, Cohn to Kincaid, March 16, 1911	96	57
Defendant's Exhibits 6 to 15, inclusive—(Not set out).....	97	58
Defendant's Exhibit 17—Trade-mark certificate.....	100	60
Stipulation as to translation and synopsis of exhibits.....	101	61
Decision	103	62
Motion for new trial.....	106	64
Order denying motion for new trial.....	107	64
Opinion, Moreland, J.....	107	64
Petition for appeal.....	130	75
Assignment of errors.....	131	76
Order allowing appeal.....	135	78
Bond on appeal.....	135	78
Citation and service (copy).....	137	80
Clerk's certificate	138	80
Stipulation as to record.....	138	81
Judgment	140	81
Petition for appeal.....	141	82
Assignment of errors.....	143	83
Citation and service.....	147	86
Petition and stipulation for order transmitting original exhibits.	149	87
Order transmitting original exhibits.....	150	88

1 United States Supreme Court.

COMPAÑIA GENERAL DE TABACOS DE FILIPINAS, Plaintiff and Appellant,

versus

ALHAMBRA CIGAR AND CIGARETTE MANUFACTURING CO., Defendant and Appellee.

UNITED STATES OF AMERICA,
Philippine Islands, ss:

Record of Proceedings of the Supreme Court of the Philippine Islands, and of the Court of First Instance of the City of Manila in the Philippine Islands, in the cause and matter hereinabove entitled and hereinafter stated; and the same being disposed of at a regular term of said Supreme Court on the 10th day of February, 1916.

Present, the Honorable Chief Justice of said Supreme Court of the Philippine Islands, and the Honorable Associate Justices thereof.

R. G. No. 10251. In Equity.

COMPAÑIA GENERAL DE TABACOS DE FILIPINAS, Plaintiff,

vs.

ALHAMBRA CIGAR AND CIGARETTE MANUFACTURING CO., Defendant.

Said action was commenced on the 30th day of July, 1914, and proceeded to final disposition at the time and day above written and during the progress thereof pleadings and papers were filed and process was issued and returned, and orders of the court were made and entered in the order and on the dates hereinafter stated to-wit:

That on the 30th day of July, 1914, the plaintiff filed its complaint in the Court a copy of which is as follows:

2 (Title of Court and Cause.)

Complaint.

Now comes the plaintiff in the above entitled action and, complaining of the defendant herein, for cause of action alleges:

I.

That the plaintiff is now, and at all of the times hereinafter mentioned has been, a corporation duly organized and existing under and

by virtue of the laws of the Kingdom of Spain and duly registered and licensed for the transaction of business in the Philippine Islands.

II.

That the defendant is now, and at all of the times hereinafter mentioned has been, a corporation duly organized and existing under and by virtue of the laws of the Philippine Islands.

III.

That the plaintiff company is now, and for more than 27 years last past has been, engaged in the business of manufacturing in the Philippine Islands, and marketing throughout the world, cigars, cigarettes and other products of Philippine tobacco, maintaining for that purpose the largest factory of its kind in the world.

IV.

That said factory so operated and maintained by the plaintiff has at all times been denominated and known, and is now denominated and known, as "La Flor de la Isabela", and said designation and denomination has been freely, generally and continuously employed and used by plaintiff upon the packages and containers of the products manufactured and marketed by plaintiff and upon the stationery, signs, and other advertising media of the plaintiff.

3 V.

That heretofore, to-wit: on the 5th day of April, 1887, the Kingdom of Spain as the sovereign authority in the Philippine Islands, duly issued and made in favor of this plaintiff, a certificate of registration and ownership in and to the phrase "La Flor de la Isabela" conferring the right upon plaintiff to all of the benefits appurtenant thereto, including the right to prosecute in the Courts of Justice all infringers and usurpers of said rights. That said certificate of registration and ownership has not been annulled by the royal decree of 1888, and the plaintiff is now and at all the times herein mentioned has continued to have the exclusive right of ownership of the said phrase "La Flor de la Isabela" as a trade-name in respect to manufactures of tobacco, to which, by the terms of said registration, the said trade-name applies.

VI.

That the original and primary meaning of the words "Isabela" and "La Isabela" is the name and designation of one of the provinces in the Philippine Islands. That by reason of the general, long-continued and extensive use and employment of said phrase "La Flor de la Isabela", the said phrase, and various and sundry abbreviations thereof, including the word "Isabela", when applied to the

manufactures of tobacco as a distinguishing brand or name, have come to have and do have a special secondary meaning, designating and denoting that said manufactures are the products of the factory of this plaintiff. That said secondary meaning of said phrase, and its abbreviation is well and generally and familiarly known and understood among the dealers in and consumers of tobacco products not only throughout the Philippine Islands, but in sundry
4 and various portions of the world where the products of the said factory of plaintiff have been dealt in and consumed.

VII.

That during the 27 years last past, and until the wrongful and unlawful acts of the defendant hereinafter specified, no other manufacturer or dealer in the Philippine Islands has used or employed, the said phrase, or any of its various abbreviations including the word "Isabelas", as a distinguishing brand or name or in any wise other than in the primary meaning thereof as the place of origin of the materials contained in the wares and merchandise of said dealers.

VIII.

That heretofore, to-wit: on or about the first day of June, 1914, the defendant company, wrongfully and unlawfully misappropriated to its own use and benefit, the word "Isabelas", in its secondary meaning and as a distinguishing brand or name of its tobacco products, and on said date and at all times since has been, and now is, engaged in manufacturing, packing, marketing and offering for sale, in the City of Manila, and elsewhere in the Philippine Islands, packages of cigarettes under the name and style of "Isabelas" and upon which said packages, in addition to the lawful statement that the contents thereof are manufactured from the tobacco of La Isabela Province, the said defendant has caused to appear, in prominent characters the name "Isabelas" as the distinguishing brand or name thereof.

IX.

That the said unlawful and wrongful use of the said name "Isabelas" as the distinguishing brand or name of the products of the defendant is calculated to deceive the public into the belief that the goods of the defendant so designated and branded are the goods manufactured or dealt in by this plaintiff, and the use thereof by said defendant will cause the said plaintiff continuous, irrep-
5 arable and immeasurable injury.

X.

That unless restrained and prohibited by the order of this Court, the defendant will continue in the unlawful use and employment of said brand or name to the injury of this plaintiff as aforesaid.

And for a further, separate and distinct cause of action, plaintiff alleges:

I.

That the plaintiff is now, and at all the times hereinafter mentioned has been, a corporation duly organized and existing under and by virtue of the laws of the Kingdom of Spain and duly registered and licensed for the transaction of business in the Philippine Islands.

II.

That the defendant is now, and at all of the times hereinafter mentioned has been, a corporation duly organized and existing under and by virtue of the laws of the Philippine Islands.

III.

That the plaintiff company is now, and for more than 27 years last past has been, engaged in the business of manufacturing in the Philippine Islands, and marketing throughout the world, cigars, cigarettes and other products of Philippine tobacco, maintaining for that purpose the largest factory of its kind in the world.

IV.

That said factory so operated and maintained by this plaintiff has at all times been denominated and known, and is now denominated and known, as "La Flor de la Isabela," and said designation and denomination has been freely, generally and continuously employed and used by plaintiff upon the packages and containers of the
6 products manufactured and marketed by plaintiff and upon the stationery, signs and other advertising media of the plaintiff.

V.

That heretofore, to-wit: on the 5th day of April, 1887, the Kingdom of Spain as the sovereign authority in the Philippine Islands, duly issued and made in favor of this plaintiff, a certificate of registration and ownership in and to the phrase "La Flor de la Isabela" conferring the right upon plaintiff to all of the benefits appurtenant thereto, including the right to prosecute in the Courts of Justice all infringers and usurpers of said right. That said certificate of registration and ownership has not been annulled by the royal decree of 1888, and the plaintiff is now and at all the times herein mentioned has continued to have the exclusive right of ownership of the said phrase "La Flor de la Isabela" as a trade-name in respect to manufactures of tobacco, to which, by the terms of said registration, the said trade-name applies.

VI.

That the original and primary meaning of the words "Isabela" and "La Isabela" is the name and designation of one of the provinces in the Philippine Islands. That by reason of the general, long-continued and extensive use and employment of said phrase "La Flor de la Isabela", the said phrase, and various and sundry abbreviations thereof, including the word "Isabelas", when applied to the manufactures of tobacco as a distinguishing brand or name, have come to have and do have a special secondary meaning, designating and denoting that said manufactures are the products of the factory of this plaintiff. That said secondary meaning of said phrase, and its abbreviations is well and generally and familiarly known and understood among the dealers in and consumers of tobacco products not only throughout the Philippine Islands, but in sundry and various portions of the world where the products of the said
7 factory of plaintiff have been dealt in and consumed.

VII.

That under and in pursuance of the general acceptance of the term "Isabelas" as the designation of the products of the factory of this plaintiff, the said plaintiff has adopted and appropriated the said word "Isabelas" as a distinguishing brand or name, and during more than 20 years last past has been manufacturing, packing, marketing, and offering for sale, certain cigarettes under the name and style of "Isabelas".

VIII.

That by reason of the facts aforesaid, the said word "Isabelas," as a distinguishing brand or name, has come to be and is the name by which the said cigarettes so manufactured and marketed by plaintiff under said name, are usually and generally known and designated.

IX.

That notwithstanding the prior appropriation and use of said distinguishing brand or name by this plaintiff, the defendant on or about June 1, 1914, and at all times since said date, has misappropriated to its own use and benefit, and for the purpose of deceiving the public and of defrauding this plaintiff of the legitimate trade of the latter, has marketed and offered for sale in this City of Manila and elsewhere packages of cigarettes, under the name and style of "Isabelas" and upon which said packages, in addition to the lawful statement of the contents thereof are manufactured from the tobacco of La Isabela Province, the said defendant has caused to appear, in prominent characters, the name "Isabelas" as the distinguishing brand or name thereof.

8

X.

That heretofore, to-wit: on or about the first day of June, 1914, the defendant company, wrongfully and unlawfully misappropriated to its own use and benefit, the word "Isabelas," in its secondary meaning and as a distinguishing brand or name for its tobacco products, and on said date and at all times since has been, and now is, engaged in manufacturing, packing, marketing and offering for sale, in the City of Manila, and elsewhere in the Philippine Islands, packages of cigarettes under the name and style of "Isabelas" and upon which said packages, in addition to the lawful statement that the contents thereof are manufactured from the tobacco of La Isabela Province, the said defendant has caused to appear, in prominent characters, the name "Isabelas" as the distinguishing brand or name thereof.

XI.

That the said unlawful and wrongful use of the said name "Isabelas" as the distinguishing brand or name of the products of the defendant is calculated to deceive the public into the belief that the goods of the defendant so designated and branded are the goods manufactured or dealt in by this plaintiff, and the use thereof by said defendant will cause the said plaintiff a continuous, irreparable and immeasurable injury.

Wherefore, the plaintiff prays:

1. That a preliminary injunction may issue out of this Honorable Court, enjoining and restraining the above named defendant, its officers, agents, attorneys, employees, or other representatives, pending the further order of this Court, from employing or making use of the word "Isabelas" or of any equivalent thereof, or of any other word or name confusingly similar thereto as a distinguishing brand or name for cigarettes or other manufactures of to-

9 bacco, marketed or offered for sale by said defendant.

2. That after the hearing of the above entitled cause, the said injunction be made permanent and final.

3. That defendant be compelled to account unto the plaintiff for any and all cigarettes heretofore marketed and sold under the name and style of "Isabelas" and for the profits realized from the sale thereof, and that said defendant be ordered to pay unto plaintiff an amount equivalent to double the amount of said profits.

4. That defendant be condemned to pay the cost of suit.

Manila, P. I., July 28, 1914.

(S'g'd) HAUSSERMANN, COHN & FISHER,
(pp. S'g'd) CHARLES C. COHN,
Attorneys for Plaintiff.

UNITED STATES OF AMERICA,
Philippine Islands,
City of Manila, ss:

Antonio Malvehy, being first duly sworn, deposes and says that he is the Secretary of the Compañia General de Tabacos de Filipinas; that he has read the foregoing complaint and knows the contents thereof; that the same is true according to his own knowledge and belief save and except as to those matters that are therein stated upon information and belief and as to those matters that he believes it to be true.

(S'g'd) A. MALVEHY.

Subscribed and sworn to before me this 30th day of July, 1914. Deponent exhibited to me cedula certificate No. C 68, issued at Manila January 5th, 1914.

((S'g'd) JOHN W. HAUSSERMANN,
Notary Public.

My commission expires December 31st, 1914.

10 That afterwards on the third day of August, 1914, the defendant filed its answer to plaintiff's said complaint, a copy of which is as follows:

Answer.

Comes now the defendant and answering the complaint herein:
1. Admits the allegations contained in paragraphs 1 and 2 of the first cause of action of the plaintiff.
2. Denies the allegations contained in paragraphs 3, 4, 5, 6, 7, 8, 9 and 10 of the first cause of action of the complaint.
Answering the second cause of action defendant alleges:
1. Admits the allegations contained in paragraphs 1 and 2 of the second cause of action of the complaint.
2. Denies the allegations contained in paragraphs 3, 4, 5, 6, 7, 8, 9, 10 and 11 of the second cause of the complaint.

Manila, P. I., August 3rd, 1914.

(S'g'd) ROHDE & WRIGHT,
Attorneys for Defendant.

That on the third day of August, 1914, the cause being then at issue, the evidence was fully heard and received by the Court, upon the following evidence, oral and documentary, to-wit:

11 THE UNITED STATES OF AMERICA,
Philippine Islands:

In the Court of First Instance of Manila, 4th Branch.

Civil Case, No. 12079.

COMPAÑIA GENERAL DE TABACOS DE FILIPINAS, Plaintiff,

vs.

ALHAMBRA CIGAR & CIGARETTE MANUFACTURING COMPANY, Defendant.

Proceedings.

This case came before the court for trial, Honorable James A. Ostrand, Judge, presiding, this third day of August, A. D. Nineteen hundred and fourteen, in the afternoon.

Appearances:

For the Plaintiff: Mr. C. C. Cohn.
For the Defendant: Mr. W. J. Rohde.
Mr. S. A. Dewing, Reporter

12 *Proof for Plaintiff.*

Mr. SANCHO, a witness called by the plaintiff, being first duly sworn in open court, testified as follows:

Direct examination by Mr. Cohn:

Q. Please state your name, residence, and occupation.
A. M. Sancho, No. 65 Calle Juan Luna, Manila, attorney-in-fact for Narcisso Alegre.
Q. How many years have you lived in the Philippine Islands?
A. Fifteen years.
Q. Are you familiar with the various brands of cigars and cigarettes in the Philippines market and with the manufacturers of those brands?
A. Yes, sir.
Q. Does the word Isabela used in connection with cigars and cigarettes in the Philippines have any signification or indicate in any way the origin or place of manufacture of the cigars or cigarettes to which it is applied? ?

Mr. Rohde: Objected to on the ground that the meanings of words are to be found in authoritative works on language.
The Court: Objection overruled.
Exception.

A. Yes, sir, if anyone asks for Isabela cigarettes it is understood that they are referring to Tabacalera.

Q. For what reason does the word Isabela as applied to cigars and cigarettes indicate the Tabacalera factory as the manufacturers of such cigars or cigarettes?

13 A. Because the word Isabela is marked on the packages.

Q. Do the reasons for this special significance of the word Isabela apply to the public in general or are they reasons which apply to you personally?

A. I have made a good many orders upon the Tabacalera to send cigarettes to the provinces of the kind they call "Cortos" and I have always said to send "Cortos Cigarillos Isabela."

Q. The question is this: Does the word Isabela applied to cigars and cigarettes indicate to you personally that such cigars and cigarettes are from the Tabacalera factory or does the use of this word Isabela have that signification to the general public when so used?

Mr. Rohde: Objected to as calling for a conclusion of the witness purely and simply. I believe that the witness should state his facts, if the conclusion which he draws is correct then he should be able to state the facts upon which such conclusion rests.

The Court:: Objection overruled.

Exception.

A. The general knowledge of the public.

That is all.

Cross-examination by Mr. Rhode:

Q. Where are you in business, Mr. Sancho?

A. Here in Manila; the house I represent is located in the Province of Sorsogon.

Q. And you order cigars and cigarettes from the Tabacalera factory, do you?

14 A. Yes, sir.

Q. And when you order from the Tabacalera you order principally Isabelas, do you?

A. Yes, sir.

Q. Do you also now and then ask them for other cigarettes?

A. Yes, sir, many times.

Q. What other kinds do you ask for from them?

A. Reinas de Filipinas.

Q. What others?

A. Cigars of various classes.

Q. What are the brands of cigarettes you order from them?

A. In the cigarettes only Reinas de Filipinas, Cortos Isabelas, and Lucero, these are the only three cigarettes that I order.

Q. And you say that on the packages are the words Isabela?

A. Yes, sir.

Q. On which packages does that appear?

A. On the "Cortos Isabela."

Q. And on the Reinas Filipinas it does not appear?

A. I do not remember at this moment, I don't believe it appears on the package.

Q. That is, the words "Tabacos de Fabrica, Flor de Isabela" do not appear on the packages of the Reines de Filipinas?

A. Yes, sir, that appears also.

Q. Then, Mr. Sancho, what words appear on the packages of the Cortos Isabela that do not appear on the packages of the Reinas Filipinas?

A. At this moment I could not state, that is a matter that no attention is paid to in making the orders.

15 Q. Then you don't know whether the word "Isabela" appears on the packages of the Reinas Filipinas or not?

A. No, at this moment I do not know, I order them in this form, "Cortos Isabela," "Reinas Filipinas," and "Lucero;" those are the only three kinds I order from the Tabacalera.

Q. Have you considerable general knowledge relative to the tobacco business in the Philippine Islands?

A. Yes, sir.

Q. What are the principal classes of tobacco, Mr. Sancho, leaf tobacco?

A. I have never dealt in leaf tobacco.

Q. Do you know whether Isabela tobacco is good or bad?

Mr. Cohn: Objected to as immaterial and irrelevant.

The Court: It is cross-examination; objection overruled.

Exception.

A. I do not know, but I understand that the Isabela tobacco is about the best in the Philippine Islands.

Q. Do you know the Barili tobacco?

A. No, sir.

Q. In Pangasinan?

A. No, sir, I don't know anything about leaf tobacco, I only know about manufactured tobacco.

That is all.

Witness excused.

Mr. Hess, a witness called by the plaintiff, being first duly sworn in open court, testified as follows:

16 Direct examination by Mr. Cohn:

Q. Please state your name, occupation, and residence.

A. Carl Hess, broker, No. 1155 Singalong, Manila.

Q. How many years have you spent in the Philippine Islands, Mr. Hess?

A. Fourteen, about fourteen.

Q. Are you familiar with the grades and brands of manufactured tobacco in the Philippine Islands?

A. Somewhat.

Q. And their reputation and the public esteem in which these various brands are held and the extent to which they are known?

A. I know them personally, yes.

Q. Does the word "Isabela" as applied to cigars and cigarettes have any special significance in the Philippine Islands as to the origin or place of manufacture of such cigarettes?

Mr. Rohde: Objected to on the same grounds as previously.
The Court: Objection overruled.
Exception.

A. Well, I can not speak generally, personally I have noted that the words "Flor de Isabela" is noted on one particular brand of cigars and cigarettes around here.

Q. The question is otherwise. Whether the word "Isabela" by itself indicates in any way the origin or the place of manufacture of the cigars and cigarettes to which it is applied?

A. It is a rather difficult question for me to answer in the
17 way you put it, Mr. Cohn, for the reason that I know something about the cigar and cigarette business, I was interested in it here at one time, and I can not get away from the fact that I have always noted that the cigars and cigarettes with the words "Flor de Isabela" noted on it means it is made by the Tabacalera factory.

Q. Let me put the question in another form. Suppose somebody gave you a cigar or cigarette without any wrapper or band or other means of identification on it and told you that it was an Isabela cigar or cigarette, would you have any impression from that statement as to what factory it came from?

A. If you ask that question in that way, no, I would not have, I can answer that question because I happen to know something about the cigar business, as I stated before I was in the cigar business here for a while. If you ask that question that way—if you speak of "Flor de Isabela" I know that you mean the Tabacalera.

Q. Is the expression "La Flor de Isabela" ever ab-reviated by the general public?

A. Well, I think it is, yes.

Q. In what way is it abbreviated?

A. That they generally refer to Isabela cigars or cigarettes when they talk about cigars or cigarettes of the Tabacalera factory.

Q. That is the people generally refer to the cigars and cigarettes of the Tabacalera factory as Isabela cigars or Isabela cigarettes?

A. The people I deal with ordinarily, no, I have references
18 made to me that way referring to Tabacalera goods.

Q. Are those references frequent?

A. Not now, no.

Q. When such references were made to you, were they frequently made?

A. Comparatively frequent, yes.

Q. And did such references come from many different sources?

A. From buyers of cigars.

Q. Now who are the persons that you refer to that you say didn't make use of this ab-reviation in referring to the products of the Tabacalera Factory?

A. The people who were buying cigars at wholesale didn't use this ab-reviation.

Q. Persons with whom you dealt in cigars and cigarettes didn't make use of this ab-reviation?

A. They didn't make use of this ab-reviation, no, the buyers of cigars at wholesale, people in the cigar business.

Q. Did the general consuming public generally ab-reviate the term "La Flor de Isabela" and use simply the word "Isabela?"

Mr. Rohde: Objected to as leading.

Q. Who were the persons, Mr. Hess, who did make use of this abbreviation in referring to the Tabacalera factory and its products?

A. Generally the cigar makers around here used to refer to the Tabacalera Factory as the Isabela Factory; I was running a little cigar factory at the time and I remember that the cigar makers used to speak about the Isabela Factory. That is years ago now that I am speaking of, that is ten years ago, about ten years ago now.

19

That is all.

Cross-examination by Mr. Rohde:

Q. You have been here you say for about fourteen years, Mr. Hess, and were interested in the cigar business here about ten years ago. Now do you remember about ten years ago some long cigars that were sold around here that were made up in Isabela Province?

A. Yes, I remember those long cigars, they are generally made up in Cagayan.

Q. And how are they known?

A. As Cagayan cigars.

Q. Don't you also know the word "Isabela" used in connection with these long cigars?

A. I only state personally, they make some of those in Isabela too I think, but I remember particularly the Cagayan, I wouldn't want to state about the Isabelas.

Q. The Cagayan cigars come from the province of Cagayan, you say; the Isabela cigars would be better than the Cagayan, wouldn't they?

A. To a man that knows something about cigars they probably would, yes.

Q. Because Isabela is the province that produces the best tobacco?

A. It is known as the best tobacco, yes; the best wrapper tobacco; best looking tobacco.

Q. Do you know the various class- of Tobacco in the Philippines, Mr. Hess?

A. Most of them I guess, Isabela, Cagayan, Union, and Barili, those are the only ones I used.

20

Q. Isabela is a class of tobacco?

A. Yes, sir.

Q. Have you ever exported any tobacco, Mr. Hess?

A. Not in leaf form, as manufactured tobacco, yes.

Q. Have you any knowledge of the exportations made by other persons of leaf tobacco, that is, the manner in which they do it?

A. By hearsay only, not by actual knowledge.
Q. You don't know what words they put upon the bales to indicate the tobacco? What marks or indications are put on the packages?
A. I could not tell you from actual positive knowledge, no.

That is all.

Witness excused.

Mr. ELSER, a witness called by the plaintiff, being first duly sworn in open court, testified as follows:

Direct examination by Mr. Cohn:

Q. Please state your name, occupation, and residence.
A. E. E. Elser, Insurance Agent, No. 437 Calle Looban, Manila.
Q. How long have you been in the Philippine Islands, Mr. Elser?
A. Between twelve and thirteen years.
Q. Have you ever been in the tobacco business during any part of that time?
A. Why, I was interested somewhat some eleven or twelve years ago, yes.
Q. About eleven years ago?
21 A. Yes, sir.
Q. During the past eleven years that has not been your business?
A. No, no.
Q. Do you know generally the public nomenclature of the cigars and cigarettes and the factories thereof in the Philippine Islands?
A. In a general way, yes.
Q. Do you know the factory called La Flor de Isabela?
A. I do.
Q. Do you know whose factory that is, so called?
A. The Tabacalera.
Q. Is that name, La Flor de Isabela, ever ab-reviated?
A. That I could not say, Mr. Cohn.
Q. Have you ever heard the factory La Flor de Isabela referred to by any other name?
A. Except as Isabela and Tabacalera.
Q. You have heard the Tabacalera factory La Flor de Isabela called Isabela?
A. Yes, sir.
Q. Frequently?
A. I wouldn't say as to that; I should say yes, rather frequently.
Q. Does the name Isabela as applied to cigars and cigarettes indicate in any way the origin or place of manufacture of the cigars and cigarettes to which it is applied?
A. I do not know just how to answer that. To answer stating it in my own way and to my own meaning, the word Isabela when used in connection with cigars or cigarettes is always associated with the Tabacalera factory.
22 If you were given a cigar or cigarette without any wrapper or band or other identifying mark and told that it was an

Isabela cigar or cigarette, would that indicate to you the factory from which it came?

A. I would think that it came from the Tabacalera factory.

Q. For what reason would that statement indicate to you that it came from the Tabacalera Factory?

A. Well, in the first place, I have passed by the factory, the La Flor de Isabela, every day for years on my way to an- from home; I have seen it on boxes and packages for a long time, and as I stated the two are very closely associated together in my mind, knowing that the La Flor de Isabela factory is the factory of the Tabacalera Company.

Q. Are those reasons which indicate to you the factory or place of manufacture of cigars called Isabela peculiar to yourself, or are the general to the public?

A. I could hardly answer that, Mr. Cohn, only personally, as I say the word Isabela when associated with cigars always indicates to me they are from the Tabacalera Company.

Q. Well, the reasons which make you associate the two, are they reasons which effect you alone or are they also reasons which effect the public generally?

Mr. Rohde: Objected to as that is a matter which is purely psychological; the question calls for something which the witness can not know.

The Court: Objection sustained.

Q. In dealing with the members of the general public, Mr. Elser, would you refer to the products of the Tabacalera cigar and cigarette factory as Isabela cigars and as Isabela cigarettes with the
23 expectation of being understood?

Mr. Rohde: Objected to for the reasons just stated.

The Court: Objection overruled.

Exception.

A. I think I would.

Q. What would you expect your hearer to understand your meaning to be when you referred to Isabela cigarettes and Isabela cigars?

A. I should take it he would think I wanted the product of the Tabacalera Factory.

That is all.

Cross-examination by Mr. Rohde:

Q. You don't seem to know that the word Isabela has a grade meaning, that is as to the quality of the tobacco, do you?

A. No, no more than that I know that Isabela tobacco is supposed to be good tobacco, and I have always supposed that the Tabacalera Company controlled the output of Isabela tobacco.

Q. You always thought that the Tabacalera Company controlled the output of tobacco from the Province of Isabela?

A. Yes, I don't know why I should but that has been my impression anyhow.

Q. "And Isabela cigar," would that not convey to you the meaning of a cigar made of Isabela tobacco?

A. Well, perhaps so, still, as I have stated, I have always associated the Tabacalera and Isabela as one.

24 Q. Isn't it a fact that "Isabela cigar" has nearly the same signification as "Cuban cigar," or rather "Havana cigar?"

A. I couldn't answer that, I don't know; when you say a Philippine cigar that of course would be just like saying a Cuban cigar.

Q. How long were you in the tobacco business, Mr. Elser, here in the Philippine Islands?

A. I was interested in the tobacco business perhaps for two years or so.

Q. What was the nature of your tobacco business?

A. I was with E. C. McCullough & Co. at the time, who, in 1902, 1903, and perhaps 1904 were heavily interested in the Maria Cristina Factory.

Q. Did you export cigars?

A. No, sir.

Q. Did you export tobacco?

A. I did not.

Q. Did you sell the product of that factory here?

A. I did not.

Q. What was your connection with the cigar business, then?

A. We were simply generally interested in this factory, the Maria Cristina Factory, and had more or less to do with it in a financial sense.

Q. You did not conduct the business at all then?

A. No, except as I stated.

Q. You were simply interested in the tobacco business, that is McCullough & Co. was, in a financial way, and the office end of it?

A. Yes, sir.

25 Q. And otherwise you are simply interested in cigars and cigarettes the same as Mr. Cohn and myself, in the consumption of the weed?

A. Yes, sir.

Q. And what kind of a weed do you ask for, Mr. Elser?

A. Insular.

Q. Then you must, as you do, confess that you don't know much about it?

A. No, I wouldn't say that; I think I know quite a little about it.

That is all.

Witness excused.

Mr. GACHES, a witness called by the plaintiff, being first duly sworn in open court, testified as follows:

Direct examination by Mr. Cohn:

Q. Please state your name, occupation and residence.

A. Samuel F. Gaches, merchant, Elks Club, Manila.

Q. With what mercantile establishment in the City of Manila are you connected, Mr. Gaches?

A. With the H. E. Heacock & Co.

Q. How long have you been connected with that company?

A. About four years.

Q. Prior to your connection with that firm what was your occupation?

A. I was in the Government service.

Q. What particular branch of the Government service were you in?

A. The Internal Revenue Bureau.

26 Q. How long were you employed in the Internal Revenue Bureau, Mr. Gaches?

A. Five years.

Q. How many years in all have you been in the Philippine Islands?

A. Fourteen years.

Q. Do you know the makes and brands of cigars and cigarettes in the Philippine Islands and the names of the concerns that manufacture them?

A. Well, I did some time ago, the old established ones I think I do know, yes.

Q. And you know the names of the more prominent ones at the present time?

A. I think so.

Q. Do you know the name of the factory conducted by the Compañia General de Tabacos de Filipinas?

A. I do.

Q. What is it?

A. La Flor de la Isabela.

Q. Is that name in general popular use in the Philippine Islands in speaking of that factory and its products?

A. Yes, it is more often ab-reviated to La Isabela.

Q. Does the name Isabela as applied to cigars and cigarettes indicate in a general way the origin and place of manufacture of the cigars and cigarettes referred to?

A. It does, especially as regards cigarettes; as regards cigars also but more especially cigarettes.

Q. What does it indicate?

A. That they are cigarettes manufactured by the Tabacalera Co.

27 Q. Would you say that that is an indication which is peculiar to yourself alone or that it is an indication which is conveyed to the public generally?

A. I think it is the generally accepted idea, that the Isabela is manufactured by the Tabacalera Co.

Q. If you referred to cigars and cigarettes as Isabela cigars or Isabela cigarettes would you expect to be understood by the person in this community to whom you addressed your statement as referring to the product of the Compañia General de Tabacos?

A. With regard to cigarettes I would expect them to believe that it was Tabacalera cigarettes.

That is all.

Cross-examination by Mr. Rohde:

Q. With respect to cigars what would you consider?

A. Well, with respect to cigars it would depend entirely on whether the person was a resident here of some time and had had experience in tobacco or whether he was a new man; anybody speaking of cigars, speaking of Isabela cigars, to one who had been in the Islands any considerable length of time would expect to be understood as referring to La Flor de la Isabela cigars, to new people it might appear that it was an Isabela cigar, that is Isabela leaf.

Q. Why should that difference be, in your opinion?

A. Nothing more than that there is a province known as Isabela and it is known as a tobacco growing province.

Q. A new-comer would learn that Isabela cigars were cigars made of Isabela tobacco when he first came and then afterwards he
28 would learn that they were cigars made by the Tabacalera Company, is that the idea?

A. The first thing he would think of would probably be the province, but afterwards he would learn of the factory which has control of the output of tobacco from that province and he would naturally associate the cigar with the products of the La Flor de la Isabela factory, which is supposed to control the most of the tobacco from Isabela.

Q. You say that the Tabacalera Company controls the greater part of the output of tobacco from Isabela province?

A. I say it is supposed to, I know that I have always had the impression that it controlled the greater part of the tobacco from that part of the Islands, and I know that the Tabacalera is intimately associated with the control of all the tobacco from that section, Cagayan and Isabela.

Q. And especially the output of the province of Isabela?

A. Yes, especially Isabela.

Q. And is it because of that fact that there product is sometimes referred to as Isabela cigars and Isabela cigarettes?

A. In regard to cigars, yes.

Q. And cigarettes?

A. Cigarettes they have a regular name for, I could not give you all the names now.

Q. You haven't answered my question, Mr. Gaches?

A. As I understand that was an answer to your question.

Q. Why should their output of cigars be referred to at all times as Isabela cigars because of the fact that this product is made of the product of Isabela Province and the cigarettes not, do you mean to
29 intimate that they put tobacco in their cigarettes that does not come from the Province of Isabela?

A. No, of that I know nothing, but the name Isabela is

closely associated in my mind with the Tabacalera factory, if I speak to someone, for instance I tell my boy to go out and get me a package of La Isabela cigarettes and he knows only one thing and that is to get cigarettes of the Tabacalera Company.

Q. How many brands of cigarettes of the Tabacalera Co. do you know?

A. I wouldn't want to say, it has been too many years since I have had anything to do with the tobacco business.

Q. Do you know a single brand?

A. Only Isabela or La Isabela, I speak of the cigars and cigarettes of the Tabacalera Company as Isabela.

Q. Do you know that they themselves or their customers, dealers with them, refer to certain of their products as Isabela and to others not?

A. That I could not say. I think the ordinary dealer in Manila if asked for an Isabela cigarette would immediately give a cigarette manufactured by the Tabacalera Company, the same as if you asked for an Insular cigarette or an Alhambra cigarette; the name is as distinct as could be.

That is all.

Witness excused.

Mr. FIGUERRAS, a witness called by the plaintiff, being first duly sworn in open court, testified as follows:

Direct examination by Mr. Cohn:

30 Q. Please state your name, occupation, and residence.

A. T. D. Figuerras, merchant, Iloilo.

Q. How many years have you lived in the Philippine Islands, Mr. Figuerras?

A. Twenty-seven years now.

Q. Are you familiar with the names and brands of cigar and cigarette factories in the Philippine Islands and their products?

A. I know some of them.

Q. Do you know the names by which cigars and cigarettes and the factories which make them are recognized by the general public in the Philippine Islands?

A. Yes, sir.

Q. What is the name of the factor- of the Campañia General de Tabacos de Filipinas??

A. La Flor de la Isabela.

Q. Is that name ever ab-reviated?

A. Many times.

Q. What ab-reviation is used?

A. La Isabela.

Q. Does the word Isabela applied to cigars and cigarettes have any special signification in the Philippine Islands indicating the origin of the cigars and cigarettes to which it is applied?

A. No, sir, I would think that they came from La Flor de Isabela.

Q. Why would you understand that cigars and cigarettes referred to as Isabela cigars and Isabela cigarettes came from the La Flor de la Isabela factory?

31 A. Using the word Isabela in connection with cigars and cigarettes I would understand and the public understands that they are made or manufactured by the La Flor de la Isabela factory, and furthermore I do not know of any factory manufacturing cigars or cigarettes in the Province of Isabela.

Q. In the Philippine Islands, Mr. Figuerras, speaking now of public usage and custom, is it customary to distinguish between cigars and cigarettes according to the tobacco which is in them or according to the factory where they are made?

A. Of the different factories, when I ask for an Isabela cigarette I do not care whether the tobacco used in that cigarette comes from Isabela, Cagayan, or Barili, I simply ask for a cigarette manufactured by the La Flor de Isabela Company.

Q. Is that a peculiarity of your own, Mr. Figuerras, or is that general with the public at large?

A. That is my personal opinion and I believe it is the general opinion also.

That is all.

Cross-examination by Mr. Rohde:

Q. Do you smoke, Mr. Figuerras?

A. Yes, sir.

Q. What cigarettes do you smoke?

A. I smoke Tabacalera, Insular, I smoke different kinds, when I get tired I change.

Q. You smoke Tabacalera cigarettes, do you?

A. Yes, sir.

Q. Do you ever smoke Isabela cigarettes?

32 A. I smoke Tabacalera or Flor de Isabela.

Q. You smoke Tabacalera or Flor de Isabela or Insular or Alhambra?

A. Yes, when I am tired of one kind I change.

Q. How many brands of cigarettes does the Tabacalera make?

A. Several.

Q. How many?

A. I do not know?

Q. Do you know of any brands they make?

A. Yes, sir, I often smoke Rositas.

Q. Do you smoke Reinas de Filipinas?

A. Yes, sir.

Q. There is a difference in the price, is there not?

A. Yes, sir.

Q. There is a difference in the price of the cigarettes of the Germinal Factory, is there not?

A. Germinal I do not know, because I never smoke them.

Q. Give us, in Spanish, all the ab-reviation of "La Flor de la Isabela" that are current here.

A. I believe there is one which is "La Isabela."

That is all.

Witness excused.

The Court: The case will be continued until August 4, 1914, ten o'clock.

Continuation August 4, 1914, a. m.

Mr. MALVEHY, a witness called by the plaintiff, being first du sworn in open court, testified as follows:

Direct examination by Mr. Cohn:

33 Q. Please state your name, occupation, and residence.
A. Antonio Malvehy, Secretary of the Compañia Gene de Tabacos de Filipinas.
Q. During what time have you been connected with the Co pañia General de Tabacos de Filipinas?
A. Twenty-four years.
Q. How long has that company been established in the Philippi Islands?
A. Since the year 1882.
Q. And what is the business of the Compañia General de Taba de Filipinas?
A. To buy and export tobacco, they also have a cigar and cig ette factory here, and also the buying and exporting of copra a hemp and all the other products of the country.
Q. Have those been the commercial purposes and objects of t company since its inception?
A. Yes, sir, and they always have estates of sugar and tobacco a palay.
Q. Where are the tobacco products, the cigars and cigarettes a other tobacco products of the company sold?
A. In all parts of the world.
Q. Is there an extensive market for their products in the Phili pine Islands?
A. Yes, sir, in all the provinces.
Q. In the United States is there such a market also?
A. Yes, also.
Q. In the various countries of Europe is there such market?
34 A. Also.
Q. Has the cigar and cigarette factory of the Company special name?
A. Yes, sir.
Q. What is it?
A. La Flor de la Isabela.
Q. How long has it had that name?
A. Since the establishment, over twenty-seven years ago.
Q. How is that name used by the Company?

A. It is used in all that refers to the factory as well as its products, it is on the letter heads, invoices, packages, etc.

Q. Is the factory generally known by that name?

A. Yes, sir.

Q. Everywhere or only in places?

A. Everywhere, where cigars and cigarettes are sold.

Q. Do you know if that name has ever been registered by the Company?

A. Yes, sir, we have a title from the Spanish Government.

Q. I hand you this document marked Exhibit "A" and ask you to state what that is?

A. This document is the title allowed by the Governor-General of the Philippine Islands on the 5th of April, 1887, allowing the Company the title of property of the name La Flor de la Isabela.

Q. Has this title of property Exhibit "A" been annulled or cancelled by the Government at any time?

A. Never.

35 Mr. Cohn: I offer in evidence the document Exhibit "A."

Mr. Rohde: No objection.

Mr. Cohn: I ask permission to be allowed to withdraw the original document and substitute a copy duly certified.

Mr. Rohde: No objection.

Q. What is the primary signification of the words La Isabela?

A. The factory used that name because the- used in the manufacture of their cigars and cigarettes tobacco leaf from our haciendas in La Isabela Province.

Q. Apart from the factory what does the term La Isabela indicate?

A. It is a province of the Philippine Islands.

Q. The name of the factory, La Flor de la Isabela, is it always used in its complete form or is it sometimes ab-reviated?

A. It is used sometimes in an ab-reviated form and sometimes there is used only "La Isabela" referring to the factory "Isabella" or "Isabelas" when referring to the products of the factory.

Q. In public usage is the complete form, La Flor de la Isabela, or some form of ab-reviation more generally used.

A. The two forms are frequent but here in the Philippine Islands as well as in America they are accustomed to use Isabela, Isabella, or Isabelas.

Q. What is the usage in the United States of America with regard to your factory and its products?

A. In America there is frequently used Isabela.

36 Q. Have you any correspondence with the market in America showing that usage?

A. Yes, sir, I have here certified copies from our correspondents in San Francisco, by whom *are* factory is known as Isabela and the others are known as Yebana, Alhambra, etc., and furthermore for instance *are* cigars are called Isabela Perfectos, the same as they call Yebana Perfectos, Insular Perfectos, etc., and furthermore I have here a letter from our correspondent in San Francisco where they

ask us that instead of the name La Flor de la Isabela we put only the name Isabela." Furthermore, the trade here knows the cigars as "Isabela" pure and simple." They wanted it changed on account of it being a long name.

Q. Where are the originals of the four letters you produced here in court?

A. They are in the office, I could bring them if desired.

Q. Have you any sample of the announcements made by the dealers and consumers of your tobacco products in the United States? Showing the name by which your goods are known to the trade?

A. Yes, sir, I have one here (Exhibit "F") where you can see them announced as "Isabella."

Mr. Cohn: I offer in evidence the documents marked Exhibits "B" to "F," inclusive.

Mr. Rohde: No objection.

Q. During the twenty-seven years of the existence of the factory of your Company has any other tobacco factory made use of the name of your factory of any of its products?

A. Of the name, no sir, but now recently we have been
37 having some discussions with some parties who exported cigars to the United States under the name of Isabela but we succeeded in obtaining a prohibition against their using that name in San Francisco, and we came to an agreement in regard to it.

Q. Aside from this use which was prohibited and adjusted has anybody else made use of this name of yours or its ab-reviations?

A. I do not remember, except La Rosa Filipina, who used the word Flor de Isabela, which we also succeeded in putting a stop to, and the case which is now under discussion, and aside from these cases I do not now remember of any others.

Q. Does the factory of the plaintiff manufacture any product which is given the brand name of Isabela or Isabelas?

A. Yes, sir, we have the Cortos, known as Isabela Cortos, which appear in our tariff by that name, and furthermore, in all the orders we receive they are known by that name, Isabela.

Q. I hand you these documents marked Exhibits "H" to "M," inclusive, and ask you to state what they are.

A. Exhibit "H" is an order from the Benguet Commercial Co. for Isabela Cortos cigarettes, and all of these others are also orders for Isabela Cortos cigarettes, one of the brands of cigarettes manufactured by our company.

Q. These documents Exhibits "H" to "M," inclusive, contain all of such orders received by you or are they only samples?

A. Only samples.

Q. I hand you this document Exhibit "N" and ask you to state what it is.

A. This is a copy of the tariff we put out giving the prices
38 of cigars and cigarettes and here are the names of the brands of cigars and cigarettes manufactured by the company, cigarettes, Isabela Cortos, Isabela Largos, Isabela Entrelargos, etc.

Q. When was this list issued?

A. This is a reprint of a copy of our tariff which has been in use for some time, the prices given here have been in force for some four or five years, but the tariff is a copy of an old one we have used for some time.

Q. How long has your factory been manufacturing cigarettes under the name of Isabela?

A. I do not remember exactly at this moment but it is more than ten years.

Q. How does the antiquity of these brands, Isabela Cortos, Isabela Largos, and Isabela Entrelargos compare with the antiquity of the other marks of cigarettes manufactured by your company?

A. This is the oldes- brand of all, this is the first cigarette manufactured by the company.

Q. Has the Company been manufacturing them continuously since they commenced operation?

A. Yes, sir.

Q. And have they always been known by that name of Isabela Cortos?

A. Yes, sir.

Q. Have they ever had any other name?

A. Never.

Q. Has that name been published in the price list continuously?

A. Yes, sir.

39 Q. I hand you this document marked Exhibit "O" and ask you what that is.

A. This is a wrapper or package for cigarettes known as Isabela.

Q. By whom is that package used?

A. By the Compañia General de Tabacos de Filipinas, La Flor de la Isabela Factory.

Q. How long has that been in use?

A. I do not remember how long at this moment, but I should say five or six years at least.

Q. What is this object marked Exhibit "P" for identification?

A. This is the package usually used for packing the small packages of these cigarettes named Isabela Cortos.

Q. Is that the form of package that the Company invariably uses for this class of cigarettes?

A. This style of package has been used for a matter of six or seven years.

Q. Has the Company ever granted a license to any other person or persons to make use of the name Isabela or Isabela Cortos for cigarettes?

A. No, sir, to nobody.

That is all.

Cross-examination by Mr. Rohde:

Q. What is Exhibit "O"?

A. This is a wrapper for cigarettes.

Q. Do you manufacture them now?

A. Yes, sir.
Q. How long have you manufactured this brand of cigarettes?
A. I do not remember the exact date but it is about five or six years now.
40 Q. Are they now in the market?
A. Yes, sir.
Q. In Manila?
A. I do not know whether in Manila or whether they are only put up for export, I can not answer that with certainty, but undoubtedly there are some in stock now.
Q. Do you know any place where they are sold?
A. In America and other places.
Q. Is this mark registered?
A. The name, yes, sir.
Q. Why do you say that the name is registered?
A. There is registeerd in Manila the name La Flor de la Isabela and in America Isabela.
Q. You had it registered in America?
A. Yes, sir.
Q. The word Isabela?
A. Yes, sir.
Q. The word Isabela?
A. Yes, sir.
Q. Do you know whether it was made known to the office in the United States where it was registered that Isabela was the name of a province in the Philippine Islands?
A. I believe they know enough geography to know that.
Q. Don't you think it is pretty difficult for a man in the United States to know the names of the provinces of the Philippine Islands?
A. I do not know.
Q. You say that the names Isabela, Isabella and Isabelas are used as ab-reviated forms of the names of the output of the
41 factory?
A. Yes, sir.
Q. You have adduced here letters that I believe are all of this year, 1914, have you any correspondence of an earlier date wherein any ab-reviation of that kind occurs?
A. Yes, sir.
Q. What is the earliest date, or the letter with the earliest date that you could exhibit wherein they ask for Isabela Cortos?
A. Of eight or ten years ago I can bring orders.
Q. In which they ask for Isabela Cortos?
A. Yes, sir.
Q. What does this Cortos mean?
A. There are three sizes of this cigarette, Cortos, entrelargos, and Largos (short, medium, and long).
Q. Do you make those of Isabela tobacco?
A. It is a mixture of several kinds of tobacco.
Q. They are not made of Isabela tobacco, these Isabela Cortos?
A. Not entirely Isabela tobacco.
Q. Do you use Cagayan tobacco in these cigarettes?

A. Cagayan and of several other places, we make a mixture.

Q. What are the principal tobacco factories in Manila, Mr. Malvehy, say the four or five principal onces?

A. We will start with ours, the Isabela, Insular, Germinal, Oriente.

Q. Why didn't you finish the name when you started to give the name of your factory you said "Ta" and then stopped.

A. It is the same thing, our cigarettes and cigars are known as Isabela, it is the same.

Q. Isn't it a fact that your factory is known almost exclu-
42 sively as Tabacalera?

A. Not the factory, the company, yes, there is a difference, the company is known here as Tabacalera, or Compañia General de Tabacos de Filipinas, which company is not devoted solely to the making of cigars and cigarettes but is conducting the business of a general merchant, that company is generally known as Tabacalera, but regarding the factory La Flor de la Isabela, that is generally known as La Isabela; if you ask the workmen in any other factory here in regard to our factory he will tell you La Isabela or Isabela.

Q. Do you know Olsen's tobacco stand?

A. Yes, sir, I know where it is but I have not been there.

Q. Do you know Mr. F. W. Prising?

A. By sight I think.

Q. Would you consider it strange if Mr. Prising yesterday after we left the court room did not know of Isabela cigarettes of the Tabacalera company?

Mr. Cohn: Objected to as improper cross examination.
The Court: Objection overruled.
Exception.

A. I do not know how to answer that question because I have no opinion regarding it, I don't know him.

Q. If he is a man who has been selling cigars there on the corner for years and years wouldn't you think it rather strange that he shouldn't know?

A. I do not know him.

Q. Do you know Mr. McMicking, the Clerk of this Court?

A. Yes, sir.

43 Q. Now if he has smoked your cigarettes for ten years or more would you think it strange that this morning he did not know of Isabela cigarett-s of your factory?

Mr. Cohn: Objected to as improper cross examination, irrelevant, immaterial, and incompetent.
The Court: Objection overruled.
Exception.

A. I have no opinion on that matter, as I stated in reply to the former question of the same kind, because before these two I can bring fifty who would say that they do know.

Q. Do you know Mr. Blanco, an employee of this court, who states

he has smoked your cigarettes for about forty years, and he also states that he does not know of Isabela cigarettes manufactured by your factory?

A. I do not know him.

Q. What is the oldest price list, Mr. Malvehy, that you can exhibit to us?

A. I do not know if there are any old ones which I can find, but I can affirm that this one (Exhibit "N") is a copy of an old one in use by the factory for more than ten years, and it has been in use ever since the factory began to manufacture these cigarettes.

Q. Do you really believe, Mr. Malvehy, that for instance in going to three or four or five tiendas in Manila one after another and asking for Isabela cigarettes that they would understand what you wanted?

A. If you go into any store and ask for Isabela Cortos or Isabela cigarettes they would know what you wanted.

44 Q. This "Isabela Cortos" appears only on the large wrappers, does it not, and does not appear on the small package of cigarettes?

A. No, only on the small package.

Q. And this wrapper of course would hardly ever be seen by the consumer and would only be seen by the middle man?

A. Yes, sir.

Q. And this word "cortos" is to distinguish it from other cigarettes which are longer, is it not?

A. Yes.

Q. Would you ever make a cigarette and put "Isabela" on it without at least some of the tobacco being Isabela tobacco?

A. Yes, sir.

Q. Since when have you done that?

A. Always.

—. That is all.

Redirect examination by Mr. Cohn:

Q. Please state how it happens that these letters and orders offered as exhibits all bear dates in 1914?

A. Because we simply took the last ones which the file clerk had, we have them of all the dates you want.

Q. These sample orders and letters were taken from the current files of the Company?

A. We simply took them from the last orders and letters in order not to disturb the files, but we have no objection to bringing you those of any dates you desire.

Q. You stated on cross examination that as against the two or three persons mentioned by your examiner that stated they

45 had never heard of Isabela cigarettes manufactured by your company you could bring fifty who had heard of it, is fifty the limit of the number you could bring who had heard of it?

A. That is simply a random number I mentioned, but it is known by everybody.

That is all.

Cross-examination by Mr. Rohde:

Q. Have you any requisitions for cigarettes mentioning only Isabela without the term Cortos?
A. In the cigarettes I do not remember whether there is or not, but in cigars, yes.
Q. In orders from America only for cigars?
A. From America, yes, and possibly from some other places in Europe, but I do not remember at this moment.
Q. How long have you been doing business with America?
A. After the removal of the tariff, in 1904 or 1905.

That is all.

Redirect examination by Mr. Cohn:

Q. The label used on these Isabela cigarettes of your company has been in use for how long?
A. For over twenty-seven years.
Q. How does the workmanship on that label compare with the other labels of the Tabacalera Company?
A. The others are better made than this.
Q. Why is this label continued in this crude form?
A. In order to keep the same label, because it is well known and we wish to continue it.
46 Q. Is this label expressly crudely made so as to be exactly like the labels made years ago?
A. Yes, sir.

That is all.

Witness excused.

Mr. PEREZ, a witness called by the plaintiff, being first duly sworn in open court, testified as follows:

Q. Please state your name, age, occupation, and residence.
A. Faustino Perez, fifty-eight years of age, merchant, Manila.
Q. In what business are you engaged?
A. I am an agent of the Compañia General de Tabacos de Filipinas, and furthermore I have various kinds of business in the Philippines.
Q. What branch of the Tabacalera's business are you in charge of at the present time?
A. I have always been in charge of the branch of cigars and cigarettes and in charge of sales in Manila and to some extent in the provinces.
Q. Do you know this object which I have here marked Exhibit "P"?
A. Yes, sir.
Q. What is it?
A. These are Isabela cigarettes, which I have been selling for over twenty-six years.

Q. Have they been continuously on sale?
A. Yes, sir, continuously.
Q. In the same form and package?
A. Exactly.

Q. How extensive, how general, are the sales of these cigar-
47 ettes in the Philippines?

A. It varies, sometimes about one million packages, sometimes a little more or a little less.
Q. You mean per year?
A. Yes, sir.
Q. Are they still being manufactured and sold?
A. Yes, sir, they are the favorites of people who are supposed to know what good cigarettes are particularly among those who prefer a strong cigarette.
Q. Do you know what this article which I have here in my hand marked Exhibit "Q" is?
A. Yes, I have seen it sometimes.
Q. What is it?
A. Cigarettes.
Q. When did you see it for the first time?
A. I saw it for the first time eight days ago, because I have been absent.
Q. Do you know whether these packages of cigarettes such as Exhibit "A" are on sale in the Manila market?
A. I suppose so because some have asked for the Isabela cigarette at our stand and we always give them this Isabela Cortos and they said no, that they wanted Alhambra.
Q. How many times has that occurred, Mr. Perez?
A. In my presence once, but my people in the cigar stand told me that it had happened several times.

That is all.

Cross-examination by Mr. Rohde:

Q. But they were not at all deceived when they were handed cigarettes manufactured by your factory, were they?

48 Mr. Cohn: Objected to as immaterial and irrelevant.
The Court: Objection overruled.
Exception.

A. No, sir.
Q. Isn't it a fact that you, that the Tabacalera Co. has no package in any wise similar to this package of the Alhambra, Exhibit "Q"?

Mr. Cahn: I am willing to admit that the Tabacalera has no package of cigarettes which resembles the general appearance of the package Exhibit "Q".

Q. How many kinds of cigarettes does the Tabacalera Company make, Mr. Perez?
A. Twelve, fifteen, twenty, many.
A. Could you exhibit us a little package of each?

A. Yes, sir, there is no objection to that.

That is all.

Witness excused.

Mr. URMENATA, a witness called by the plaintiff, being first duly sworn in open court, testified as follows:

Direct examination by Mr. Cahn:

Q. Please state your name, occupation, and residence.
A. Damian de Urmeneta, manager of the La Flor de la Isabela factory, Manila.
Q. Please state what this Exhibit "P" is.
A. Cigarillos La Isabela Cortos.
49 Q. Are those cigarettes manufactured by your factory?
A. Yes, sir.
Q. How long have they been manufacturing those cigarettes?
A. From the existence of the factory.
Q. And are they being manufactured now?
A. Yes, sir.
Q. In about what quantities?
A. About one million cigarettes a month.
Q. And are they sold as manufactured?
A. Yes, sir.
Q. Have these cigarettes ever been known by any other name than their present name of Isabela Cortos?
A. Since coming to the Philippine Islands I have known them by that name.
Q. Have they ever had any other name?
A. No, sir, I don't think so.
Q. Are those cigarettes always included in the catalog-es of the Tabacalera Co.?
A. Yes, sir.
Q. Under what name?
A. Isabela Cortos.
Q. Under what name are these cigarettes ordered by the patrons of the company?
A. Isabela Cortos.
Q. Are they ever ordered by any other name?
A. No, not that I remember of.

Mr. Cohn: That is all. I offer in evidence Exhibits "H" to "Q", inclusive, and rest.
The Court: Continued to August 5, 1914, 2:30 p. m.

50 Continuation August 5, 1914, p. m.

Proof for Defendant.

Mr. OLSEN, a witness called by the defendant, being first duly sworn in open court, testified as follows:

Direct examination by Mr. Rohde:

Q. Please state your name, address, and occupation.
A. Walter E. Olsen, No. 27 Escolta, merchant.
Q. How long have you resided in the Philippine Islands, Mr. Olsen?
A. Going on sixteen years.
Q. What has been your business during this period?
A. The last eleven years of it I have been in the tobacco business.
Q. Do you know the principal tobacco factories in Manila?
A. I do.
Q. What are the five principal ones, the four or five most important ones?
A. Insular, Alhambra, La Flor de Isabela, Germinal.
Q. The La Flor de Isabela just mentioned by you, to what company does that belong, if you know?
A. The Compañia General de Tabacos.
Q. Has the Compañia General de Tabacos de Filipinas any other short name that is commonly used by the public?
A. Yes, it is commonly called the Tabacalera Company.
Q. How is the output of the company, the Tabacalera Company, referred to generally among the public, Mr. Olsen?
A. Well, with the public here in the Islands it is usually referred to as Tabacalera; in the States it is quite different, it is usually
51 referred to there as Isabela or La Flor de Isabela, but almost always as Isabela.
Q. Are you familiar with the quality of the tobacco produced in the various provinces of the Islands, Mr. Olsen?
A. With the quality of it?
Q. Yes.
A. I am, yes.
Q. What is the province which produces the best quality of tobacco in the Philippine Islands?
A. Isabela province.
Q. Is that fact known generally in the Philippine Islands?
A. Yes, especially among dealers.
Q. Is that fact known generally in the United States to the tobacco world, particularly to those interested in Manila goods?
A. Yes, I should say that it is.
Q. Do you know whether there are any cigarettes in the market here now known as Isabela?
A. Yes.
Q. Of what factory are they?
A. There is the Isabela Alhambra and the Isabela Cortos and Isabela Largos of the Tabacalera Company.

Q. The Isabela Cortos and Isabela Largos of the La Flor de Isabela Factory, have they other marks by which they are known besides Isabela Cortos and Isabela Largos?

A. Well, they are sometimes called Tabacalera, Tabacalera Cortos and Tabacalera Largos, that is the term by which they are usually called for in the trade, Tabacalera Cortos and Tabacalera Largos.

Q. Do you know anything about the exportation of leaf
52 tobacco from the Islands, Mr. Olsen?

A. We have made some exportations, yes, we exported some to Australia.

Q. And other places?

A. Yes.

Q. Do you know how the bales are marked, the bales of leaf tobacco put up for export?

A. They are usually marked with the classification for the province the tobacco is from with the year, that is it would be marked 1st, 2d, 3d, or 4th Isabela or 1st, sd, 3d, or 4th Cagayan, with the year.

Q. I hand you this piece of Saguran, marked for identification Exhibit "1", and ask you if you recognize the use of that article.

A. Yes, it is used as covering for leaf tobacco for shipment.

Q. And is that the usual way of marking the covering for leaf tobacco put up for exportation?

A. That is the customary way I have usually seen it marked.

Mr. Rohde: I now offer in evidence Exhibit "1".

Mr. Cohn: Objected to as immaterial and irrelevant.

The Court: It will be admitted for whatever it is worth.

Exception.

Cross-examination by Mr. Cohn:

Q. Mr. Olsen, what does the word Tabacalera which is in general
53 usuage in the Philippine Islands refer to?

A. Well, the significance I have always given to it. it refers to the cigars or cigarettes manufactured by the Tabacalera company and to the tobacco factory and its products.

Q. Why do you say that it refers particularly to the tobacco factory and its output of the Compañia General de Tabacos de Filipinas?

A. I say that is the significance I have usually given to it myself, I don't know just what the meaning of the word itself is.

Q. Have you ever heard the steamers of the Compañia General de Tabacos referred to as Tabacalera boats?

A. Yes, that is quite true.

Q. What, then, would you say that the word Tabacalera as generally used here in the Islands refers to, wouldn't you say that it is used to refer to the whole company?

A. Yes, I suppose you would.

Q. Now is the name La Flor de Isabela ever ab-reviated, I mean in general usage in the Philippine Islands?

A. Well, I—I can't say that I have ever heard, that I have ever used it ab-reviated in any other way than Tabacalera.

Q. Haven't you on various occasions in your direct examinatio used it in an ab-reviated form, haven't you yourself referred to it a Flor de Isabela?

A. La Flor de Isabela, yes.

Q. Did you not just now use an ab-reviation of the name of th factory?

A. Well, that is the name of the factory as I understand it, L Flor de Isabela.

Q. And you believe that is the full name of the factory
54 La Flor de Isabela?

A. Yes, that is my understanding of it.

Q. Have you ever heard it called by any shorter name than that?

A. I have heard it called Isabela or La Isabela.

Q. By whom have you heard it so called?

A. I have heard, not the factory called that but the cigarettes w have had occasional calls for Isabela Cortos cigarettes of the Tabac alera.

Q. That is the name by which the cigarettes in Exhibit "P" ar know-?

A. I wouldn't say that they are always referred to as that, a Isabela Cortos, in fact they are usually referred to as Tabacaler Cortos or Tabacalera Largos, that is the way they are more generall called for by the trade.

Q. By what name are the cigarettes of the Compañia General d Tabacos de Filipinas known in the United States?

A. They are advertised there and known more generally as Isa belas.

Q. Have you any knowledge of the conditions prevailing in the cigar and cigarette markets other than the Philippine Islands and the United States in their line of goods?

A. No.

Q. In those countries to which your knowledge extends, Mr. Olsen, and with reference particularly to Philippine cigars and cigarettes, please state whether such cigars and cigarettes are distinguished and designated according to the factory by which they are manufactured or according to the tobacco which is in them.

A. According to the factory.

Q. Exclusively?
55 A. Yes, sir.

Q. No products of any factory manufacturing cigars and cigarettes in the Philippine Islands are known by the tobacco that is in them but they are known exclusively according to the factory, isn't that a fact?

A. How is that, the product of the factory or tobacco?

Q. The question is, the product of any cigar and cigarette factory in the Philippine Islands is not known by the tobacco which is in the cigar or cigarette but by the factory which manufactures it, isn't that a fact ?

A. Well it usually—every factory, every product of a factory in addition to the factory name has what is called in the trade a front mark, the front mark pertains to the shape of the cigar and is usually

followed by the name of the factory and the cigarettes the same way, Tabacalera Cortos would simply mean a short cigarette and Largos would mean a large cigarette and so on.

Q. By the shape for instance you mean the words perfecto, bouquet, excellente, and so on.

A. Yes, those are all front marks, those are designated as the front marks of the cigars, perfectos, londres, excellentes, they are all front marks.

Q. And each factory manufacturing cigars here in the Islands manufactures cigars of these well-known shapes, do they not?

A. Yes.

Q. And the way to distinguish, the way the public distinguishes between the cigars of any different shape is to give the name of the factory, is it not, that is they would call for a perfecto Insular for instance.

56 A. Yes, the name of the factory the brand, and the shape, the front mark.

Q. They do not distinguish between cigars of the various shapes by giving the name of the tobacco that is in the cigars?

A. No, that is a pretty difficult thing to say.

Q. And each factory makes cigars of the various tobaccos grown here in the Islands?

A. I understand they do.

Q. So if a man called for a Cagayan perfecto you would have no means of knowing just what he wanted, whether he wanted an Insular, Alhambra, Tabacalera or what?

A. You couldn't conscientiously give him one.

Q. Nearly all of the products of the Philippines are manufactured of blended goods, are they not?

A. Yes, usually Isabela the best grades, that is tobacco from the various parts of the Province of Isabela blended together.

Q. It is common practice, isn't it a fact, in the Philippine Islands, where the products of a factory are made of Isabela leaf tobacco to *to* announce that fact to the public when such is the case?

A. Yes.

Q. Those products so announced as being manufactured of Isabela leaf are not called Isabela for that reason, are they?

A. I di-n't get that, Mr. Cohn.

Q. Take for instance the products of the La Yebana factory, which are well known to you, are they not?

A. Yes, sir.

57 Q. And that company advertises the fact quite extensively, does it not, that their products are manufactured exclusively from the best Isabela tobacco?

A. Yes.

Q. There is no tendency on the part of the consuming public or the trade generally for that reason to designate the products of that factory as Isabela.

A. No.

Q. If a man desires La Yebana cigars it never occurs to him to ask for Isabela cigars, does it?

A. No.

Q. And if he called for an Isabela cigar what would you think that he wanted?

A. Well, to the trade we would give him a Tabacalera cigar if he called for an Isabela, and in people coming from the United States, in the United States the cigars of the Tabacalera are advertised and sold under the name of Isabela and La Isabela, and people coming from the States we have calls for Isabela cigars and cigarettes.

That is all.

Redirect examination by Mr. Rohde:

Q. If a man called for Bellezas what would you give him?

A. Bellezas Alhambra.

Q. Are there other Bellezas on the market here than those manufactured by your factory?

A. Not to my knowledge.

That is all.

Cross-examination by Mr. Cohn:

58 Q. Belleza is a shape, isn't it?

A. It pertains to that shape cigar, yes.

That is all.

Witness excused.

Mr. PRISING, a witness called by the defendant, being first duly sworn in open court, testified as follows:

Direct examination by Mr. Rohde:

Q. Please state your name, residence, and occupation.

A. F. W. Prising, No. 726 calle Mabini, Manila, merchant.

Q. How long have you been in the Philippine Islands, Mr. Prising?

A. Sixteen years.

Q. What has been your occupation during that time?

A. Most of the time in the tobacco business.

Q. Are you familiar with the various qualities of tobacco in the Philippine Islands?

A. Well, I don't know a great deal about tobacco.

Q. Do you know where the best tobacco grown in the Philippine Islands is produced?

A. Yes, sir.

Q. Where?

A. Isabela Province.

Q. Do you know of any cigarettes in the market here known as Isabela?

A. Yes, sir.

Q. By what factory are they made?

A. The Alhambra.

Q. Did you ever know of any cigarettes on the market here
59 known as Isabela before those put on the market by the Alhambra?

A. Not by Isabela itself, Isabela Cortos and Isabela Largos, yes.

That is all.

Cross-examination by Mr. Cohn:

Q. Isabela Cortos and Isabela Largos are cigarettes identically similar except in the size, are they not?

A. Well, I should judge so, I don't smoke cigarettes, I couldn't state.

Q. You don't know of any difference between Isabela Cortos and Isabela Largos or Entrelargos do you other than the size?

A. Oh yes.

Q. I don't think you understood the question. The question is, so far as you know the only difference between Isabela Cortos and Isabela Largos is the difference in size, that is, one is called Cortos because it is shorter than the other and the other is called Largos because it is longer than the other?

A. I suppose that is the only difference, yes.

Q. And there is a third size calle- Entrelargos, is there not?

A. Well, the Tabacalera Company makes an entrelargos cigarette I think, the entrelargo is a little smaller than the largo, about the same as I remember it.

Q. What is the difference between Isabela Cortos, Isabela Largos, and Isabela Entrelargos?

A. I don't know.

Q. Just how familiar are you with the various brands of cigarettes manufactured and sold in the Philippine Islands?

A. Well, I have been handling them for years and selling
60 them both retail and wholesale.

Q. Do you know this Exhibit "P"?

A. Yes, sir.

Q. What is it?

A. Isabela Cortos.

Q. Of what factory?

A. The Tabacalera.

Q. Do you know if these Isabela Cortos are in demand in the local market?

A. Yes, sir.

Q. What do the consumers call these cigarettes?

A. Isabela Cortos, the name that is on them.

Q. What do the consumers of the other size call these cigarettes that they require?

A. Isabela Largos.

Q. And the third size?

A. The third size they switch around a little bit, the- call them Isabela Entrelargos or Tabacalera Entrelargos, usually Tabacalera Entrelargos.

That is all.

Redirect examination by Mr. Rohde:

Q. Then these people who call for cigarettes as Isabela Largos, Isabela Cortos, or Isabela Entrelargos would have to give one of these three additions or adjectives in order to inform the seller what kind of a cigarette he wanted, would he not?

A. Yes, sir.

Q. They could never be called for as Isabelas?

61 A. Well, previous to putting the Alhambra Isabela on the market if a man came up and called for Isabelas you wouldn't know what he wanted without questioning him whether he wanted Isabela Cortos or Isabela Largos.

That is all.

Cross-examination by Mr. Cohn:

Q. How is that effected by the fact that the Alhambra Isabelas have been put on the market?

A. I do not find that there is any effect, if a man comes up now and asks for Isabelas we give him Alhambra Isabelas.

Q. Why is that?

A. Because I have never found a case yet where they said that wasn't what they wanted.

Q. Even if some man who formerly called for Isabelas desiring Isabelas of the Tabacalera Company and who you say you were obliged to question as to whether he wanted Cortos or Largos you give him Alhambra Isabelas?

A. Well, I don't remember having had any experience of that kind, if a man came up in the old times and asked for Isabelas we would ask whether he wanted Isabela Cortos or Largos but if a man comes up now and asks for Isabelas he is always given Isabelas Alhambra and I don't know of any case where they said that wasn't what they wanted.

Q. Some part of your experience in the Tobacco business has been in the United States, hasn't it?

A. Yes, sir.

Q. How much of it?

A. A little over four years.

62 Q. How are the products of the Tabacalera or the Compañia General de Tabacos de Filipinas known in the United States?

A. As Isabelas.

Q. Throughout, aren't they?

A. Yes, sir.

That is all.

Redirect examination by Mr. Rohde:

Q. Do you know anything about Virginia cigarettes, Mr. Prising?

A. Very little.

A. Of course in America.

Q. Very little.

Q. Well, what do you know about them, are there Isabela cigarettes in Virginia?
A. No, sir.

That is all.

Witness excused.

Mr. PIDERIT, a witness called by the defendant, being first duly sworn in open court, testified as follows:
Q. Please state your name, occupation, and residence.
A. Carl Piderit, merchant, Manila.
Q. How long have you resided in the Philippine Islands?
A. About six years.
Q. What has been your business during that period?
A. Always occupied in cigar factories.
Q. In what factory?
A. Five years in the Oriente then with the Flor de Intal and the- afterwards the Alhambra bought up the labels and everything.

63 Q. Do you know something about the exportation of leaf tobacco from the Philippines and how it is marked for exportation?

Mr. Cohn: Objected to as immaterial and irrelevant.

The plaintiff makes no pretense of any right to prevent people from calling their tobacco Isabela leaf tobacco or referring to their products as being manufactured of Isabela tobacco, or making any other use of the word Isabela in its primary significance.
Mr. Rohde: Mr. Cohn do you make any objection to people baling leaf tobacco and just marking the bale Isabela?
Mr. Cohn: The question of leaf tobacco is not in discussion here at all.
The Court: The court does not suppose that anybody would object to the use of the word Isabela in its primary or geograf-ical sense or as indicating the origin of the tobacco; I do not suppose there would be any objection to it in that sense.
Mr. Cohn: On the other hand if there is any use of the word Isabela brand there will be objection to it.

Q. I hand you a box, cigar box apparently, and ask you if you recognize that box?
A. Yes, sir.
Q. What is it, what factory or company?

64 A. Old Flor de Intal.

Q. How long has that box been used, if at all, by the Flor de Intal Company?
A. I believe since 1910 when the factory started, they just put up this name of the factory.

Mr. Rohde: I offer this cigar box in evidence as Exhibit "2".
Mr. Cohn: Objected to as immaterial, irrelevant.
The Court: Objection overruled.
Exception.

Cross-examination by Mr. Cohn:

Q. Is the La Flor de Intal factory still in existence?

A. Yes, new Flor de Intal, before when they make these cigar it is the old Flor de Intal when it first started up and I am th manager of that factory and then after that the Alhambra bough the labels and boxes and everything of the old Flor de Intal but no we are working in the same factory.

Q. You are the manager of the Flor de Intal factory?

A. I am manager of the old Flor de Intal before.

Q. For the Alhambra Company?

A. For itself.

Q. But the Alhambra bought up the Flor de Intal factory, you say?

A. No for itself, the old Flor de Intal.

Q. But you say the factory and trade marks and good will
65 of the Flor de Intal were all purchased by the Alhambra company?

A. No, not the Alhambra, rather Kuenzle and Streiff bought all the labels and boxes.

Q. And Kuenzle & Streiff are the principal shareholders in the Alhambra Company, are they not?

A. Yes.

Q. So the two factories are practically the same as one now aren't they?

A. Yes, sir.

Q. How many cigars have been manufactured and sold under this Mark, Exhibit "2"?

A. I do not know.

Q. Who does know?

A. I know that is the old Flor de Intal factory, I know they put up some under that brand and I sold very few of them, I sold only one box.

Q. How many boxes did the Flor de Intal Factory sell under that brand?

A. The Flor de Intal sold some.

Q. What do you mean by some?

A. A few thousand.

Q. Where did those few thousand go?

A. Exported to China, Shanghai I think.

That is all.

Redirect examination by Mr. Rohde:

Q. These few thousand, when were they sold, about what time?

A. I do not know.

Q. You were not in the old factory?

66 A. No.

Q. Then you mean some few thousand were sold of the stock taken from the old Flor del Intal factory?

A. No, that is what I heard of the manager of the old Flor de Intal factory, I do not know myself.

Q. You have been with the Flor de Intal factory how long?
A. Since November.
Q. Then prior to that you don't know how many cigars were sold of this kind, do you?
A. No, that is what I told you.

That is all.

Witness excused.

Mr. HOFFMASTER, a witness called by the plaintiff, being first duly sworn in open court, testified as follows:

Direct examination by Mr. Rohde:

Q. What is your name, occupation, and residence.
A. John C. Hoffmaster, manager of the Alhambra Cigar Factory, Manila.
Q. How long have you been a resident of Manila?
A. Nearly eighteen years.
Q. What has been your business during that period?
A. Cigar manufacturer.
Q. Have you ever been engaged in the manufacture of cigarettes?
A. Yes, cigarettes and cigars and all kinds of tobacco products.
Q. How long have you been engaged in the cigarette and cigar business in Manila?
A. Since I am here in Manila.
67 Q. Do you know or did you ever know of any cigarettes known as Isabela or Isabella or Isabelas before the Alhambra Company manufactured them?
A. Never, I never heard of them, never saw them.
Q. I hand you a small package of cigarettes, plaintiff's Exhibit "Q" and ask you who designed that package?
A. I designed that myself and took it over to the printer, to the lithographer to have it put up in the form that they are seen here.
Q. Can you tell us the purpose of the design?
A. That with these cirgarettes—we manufacture many grades of different priced cigarettes and they all are called Alhambra, they all have this name Alhambra on the package as shown in this one (Exhibit "Q") Alhambra in big plain letters on both sides of the package, but we manufacture machine made cigarettes only in cheap grades and as we intended to go into the higher grade we wanted to make up a cigarette to be put up of all first class leaf tobacco and as everybody out here knows Isabela tobacco is the best for that reason we called these cigarettes Isabela to make it distinctly known to the public this is a strictly Isabela leaf cigarette, as we say on the package, and that is the reason why we adopted this name of Isabela.
Q. Have you advertised these cigarettes extensively, Mr. Hoffmaster?
A. Yes, sir, we have done so in nearly all of the local newspapers.
Q. I hand you a bunch of excerpts, from newspaper apparently, and ask you to state what they are?

A. The first one——

68 Q. Just state in general what they are?

A. They are in general advertisements of the Isabela Alhambra cigarettes from newspapers.

Q. Are they advertisements published by you?

A. Yes, sir, they are.

Mr. Rohde: I offer them in evidence as Exhibit "3."

Mr. Cohn: No objection. That is the form of the advertisement since the beginning of this suit.

A. (Cont'd.) I can state that these cirgarettes have been advertised this way from the very first beginning and I can prove it.

The Court:

Q. What do you mean by the beginning?

A. We started about the middle of June to manufacture and advertise these cigarettes, and I can prove it by all of the papers, conclusively prove it by all the advertisements by us, that we have been advertising in the same way as has been done in these advertisements here.

Q. Do you know the Compañia General de Tabacos?

A. Yes, sir.

Q. How is that company generally known in Manila and the Philippine Islands?

A. It is the Compañia General de Tabacos Filipinas and the Tabacalera.

Q. How is its ouput referred to?

A. You refer to what output?

Q. All the output.

69 A. Well, I only know about the cigars and cigarettes, they are generally referred to as Tabacalera goods.

Q. I hand you t-o letters, Mr. Hoffmaster, marked for identification Exhibits "4" and "5" and ask you what they are.

A. Well, the first is a letter from Mr. Kincaid.

Q. And the other?

A. Is from Messrs. Hausermann, Cohn & Fisher, signed by Mr. Cohn.

Mr. Rohde: I offer in evidence the documents Exhibits "4" and "5."

No objection.

Q. I hand you a document marked for identification Exhibit "6" and ask you to state what that is?

A. Well, this is a statement about 1,221 bales of Manila tobacco offered for sale in Bremen, Germany.

Q. Made by whom?

A. It does not appear here.

Q. Do you know by whom that was made?

A. This statement is made by Mr. Bromberger of Bremen.

Q. Sent to whom?

A. Sent to Messrs. Kuenzle & Streiff in Zurich.

Q. And by them?

A. By them referred to the Alhambra Cigar Factory here in Manila.

Q. I ask you to state what these ab-reviations and words written in German signify?

A. On the first page the conditions of sale are given and on the second page is the heading "Manila/Isabela"; the ab-reviations mean the marks of the bales and the number of bales, the crops, the
70 corresponding crops, the average weight per bale and the price per bale, etc.

Q. "CTF/YA", what does that mean?

A. Probably means, as far as I know to the Compañia Tabacalera Filipinas.

Q. And the word "Isabela" on top, what does that signify?

A. That signifies that this tobacco is Isabela tobacco, which even in foreign markets is known as a superior grade of tobacco and therefore sells at a higher price than other tobacco.

Q. Please turn to the next page and state what the words at the top of the page signify?

A. The words at the top of the page state "Manila/Union."

Q. And that signifies what?

A. And also here they give the marks of the bales and the weights and the year of the crop and the prices also.

Q. "Union" means what there?

A. Union means that this tobacco here comes from Union province.

Mr. Rohde: I now offer in evidence all of the documents Exhibits "6" to "15", inclusive, Exhibit "6" being the document just identified by the witness and Exhibits "7" to "15" being advertising matters and periodicals wherein the various factories of Manila and their products are referred to, to show the knowledge and designations by the public.

Mr. Cohn: No objection to the admission of the Exhibits for what they may be worth.

Q. Mr. Hoffmaster, in your opinion could any person be
71 deceived by this package Exhibit "Q" and buy the same for any product of the Tabacalera Company?

Mr. Cohn: Objected to as incompetent, irrelevant, and immaterial and an attempt to have the interested witness decide the merits of this case, whereas, the decision is with the court.

Mr. Rohde: I will not insist very strongly upon the question if counsel for plaintiff maintains that it is a question to be determined by the court itself from the packages.

The Court: Dealers in articles may be asked if the public might be deceived by the purchase of such articles. The objection is overruled.

Exception.

A. No, in my opinion they could not be deceived in any way, be-

cause this package does not exist and did not exist in the market before we manufactured these cigarettes and it is plainly marked by the broad blue ribbon around the package and the gold paper, and furthermore it says very plainly in big plain letters, Alhambra, on both sides of the package.

Q. When you determined on manufacturing this particular cigarette did you have in mind competition with any company?

A. Yes, sir, we had in mind to put up a high grade article to enter into competition with the better grades of machine made cigarettes, which are the Insulars, but we did not have the intention to immitate any existing package on the market we simply wanted to enter
72 into competition with the existing trade of the Insular.

Q. Is the package Exhibit "Q" a machine made cigarette?

A. Yes, sir.

Q. How is the cigarette made that has been here referred to as Isabela Cortos and Isabela Largos, Exhibit "P"?

A. They are made by hand.

Q. They are hand-made cigarettes?

A. Yes, sir.

Q. What other difference is there between each particular cigarette?

A. Well, there is one difference, that these cigarettes (Exhibit "Q") are closed at one end, whereas hand-made cigarettes are open at both ends, furthermore these cigarettes (Exhibit "Q") are plainly marked, every one, Alhambra Isabelas, whereas these cigarettes referred to (Exhibit "P") do not have any mark on them, any stamp.

Q. Now Mr. Hoffmaster is there any further statement you desire to make?

Mr. Cohn: Objected to.

Mr. Rohde: Strike out the question.

Q. Where is the best cigarette tobacco in the Philippine Islands produced Mr. Hoffmaster?

A. Isabela province.

Q. Do you know about the output of that province?

A. I do not know exactly because it varies as to the different crops.

Q. Could you give it to us roughly?
73 A. I could not at the present moment.

Q. Could you state the principal buyers of that tobacco?

A. Yes, sir.

Q. Who are they?

A. There is the Insular, Campañia General de Tabacos, Alhambra, Oriente, Messrs. Weber and also Chinese dealers, and in lots of instances the Philippino planters themselves bring their tobacco down to Manila for sale.

Q. That is, the output of Isabela is by no means consumed by the Tabacalera?

A. No, absolutely not.

Mr. Rohde: I now introduce Exhibit "16." That is all.

Cross-examination by Mr. Cohn:

Q. The Alhambra Cigar & Cigarette Factory manufacture various products in addition to cigarettes, does it not?

A. Various products, yes.

Q. And each one has its brand name, has it not?

A. Well, they have the brand name Alhambra besides having front marks, every cigar has its front mark.

Q. They manufacture sever- different kinds of cigarettes, do you not?

A. Yes.

Q. How are the different kinds distinguished?

A. Different size package, different color, different lithographing, and by front marks.

Q. What do you mean by front marks?

A. For instance Alhambra Londres, Alhambra Especiales, Alhambra perfectos.

74 Q. Alhambra Londres and Perfectos are not cigarettes, are they?

A. They are cigars.

Q. How are the different kinds of cigarettes distinguished one from the other?

A. By names.

Q. What are the names?

A. Sinac Tala, then we have Brand No. 6, Brand No. 5, we have a brand No. 3, we make entrelargos, we make entrecortos, we make cortos, etc., quite a lot of different cigarettes which all have their different forms and names.

Q. And recently you have in addition to these different kinds, Isabelas?

A. Yes, sir.

Q. You say that those commenced to be manufactured in June of this year?

A. I could not state exactly the date but it was in the beginning of June.

Q. You say that your object in getting out this brand of cigarette you call Isabelas was for the purpose of building up a trade for yourself in high grade machine-made cigarettes?

A. Yes, high grade machine-made cigarettes.

Q. You were building up that trade for yourselves and not for others, were you not?

A. Yes, sir.

Q. Exclusively for your own use and benefit, was it not?

A. That is our intention.

Q. You have had legal advice regarding the suitability of the word Isabela as a name for these cigarettes, have you not?

A. Yes, sir.

75 Q. And you have been advised that the name Isabela was common property and could be made use of by anybody?

A. Yes.

Q. That you couldn't have that name exclusively for yourself because anybody could use it, it being common property?

A. Yes, we have had that.

Q. You have had that?

A. We have had that advice, that Isabela is a geographical name and we could go ahead and use it, and I asked Mr. Rohde, after these letters written by Kincaid and Mr. Cohn, if we could go ahead and manufacture these cigarettes under this name and we were told yes.

Q. And the ground on which you were told you could use this name was because it could be used by anybody, that it is common property?

A. No, because it is a geographical name as I stated before.

Q. And that it being a geographical name it was common property and could be used by anyone?

A. And furthermore I used it as I already stated in my previous statement we used that name just to the public that the cigarette is an Isabela cigarette, that is is made from Isabela tobacco like we say on the package.

Q. If you were engaged in building up a trade for your own exclusive use and benefit how do you account for the fact that you used as a brand name for that trade a name that could be used by anybody?

A. We were using this name because it was not our intention to use that principally but merely for the purpose to call the attention of the people to the fact that these cigarettes were made from
76 Isabela tobacco, from tobacco grown in Isabela province. It is of no significance for us to use this word Isabela like that because on top we have our factory name Alhambra, which is very well know- to the whole world, we have the name, as a matter of fact on both sides of the package, plain words, big letters. I am just explaining how this thing of common names like provinces come to be used by us for this cigarette. Like for instance we ma-e londres, perfectors, excellentes, they are all common makes, still when we come out and manufacture Excellentes the people start out immitating and making their cigars the same way, just to try to do us some harm.

Q. Even though they knew that this name was a common name which could be used by anybody?

A. Yes, we make Alhambra Excellente and then they all start to make that shape.

Q. Excellente is a brand name or a shape name?

A. Brand name, Alhambra Excellente.

Q. It does not designate the shape or size of the cigar then?

A. That is our brand name.

Q. Mr. Olsen was mistaken in his statement then, to the effect that such names as Excellente, Perfect, and Londres are front names and merely indicate the size and shape of the cigar?

A. I don't know, I did not hear Mr. Olsen, I don't know whether he might have said that. We came out with this size and naturally our imitators begin making still other excellentes and putting on the market here at lower figures, to the best of my knowledge.
77 That is what I know about this; I know so much and no more.

Q. You say that the Tabacalera Company does not begin to control the output of Isabela tobacco?

A. No, in no way whatever.

Q. How do you account for the fact that laymen believe that it does?

A. Well, I have been up there several times myself, our company is established in Angadanan, Isabela province, and we can buy any amount of tobacco we want.

Q. I do not make any question of that, Mr. Hoffmaster, my question is, in view of the fact that you export tobacco from Isabela province and so do other factories how do you account for the fact that the layman identifies Isabela tobacco and Isabela province with the La Flor de Isabela factory?

A. I do not understand the meaning of layman.

Q. By a layman I mean a man not in the cigar business.

A. There are lots of things talked in this city and it is merely talk; somebody might say it just for the sake of doing harm to us or doing harm to anybody; as a matter of fact I do not know it, I never heard it.

That is all.

Redirect examination by Mr. Rohde:

Q. You say you never knew or never heard it?

A. Yes, sir.

Q. Mr. Hoffmaster when did you speak to me for the first time about this label Exhibit "Q"?

A. Well, that was after we received a letter from Messrs.
78 Hausermann, Cohn & Fisher, I called at your office and brought this package of cigarettes with me and ask you about whether we can continue using this label and you told me we could, that it is a geographical name and anybody can use it.

Q. You never asked my advice about the use of the word Isabela before that time, did you?

A. Never.

That is all.

Witness excused.

Mr. McMicking, a witness called by the defendant, being first duly sworn in open court, testified as follows:

Direct examination by Mr. Rohde:

Q. Please state your name, occupation, and residence.

A. José McMicking, Clerk of the Court of First Instance of Manila, Manila.

Q. How long have you been smoking cigarettes here in the Philippines, Mr. McMicking?

A. About ten years.

Q. And you smoke cigarettes of what factory?

A. Tabacalera, Insular, I am not particular.
Q. Did you ever hear of Isabela cigarettes before this year?
A. No.

That is all.

Cross-examination by Mr. Cohn:

Q. Did you ever hear of or see the cigarettes here before you——
79 A. Yes, I have heard of the factory Flor de Isabela.
Q. By what name have you known these cigarettes Exhibit "P"?
A. I have seen these cigarettes before.
Q. By what name are they known?
A. Flor de Isabela.
Q. Who knows them by that name?
A. I don't know, I suppose people who smoke them.
Q. Do you know the name of these cigarettes?
A. No, I never smoked them.
Q. They are not known to you by name?
A. No.

That is all.

Witness excused.

Mr. BLANCO, a witness called by the defendant, being first duly sworn in open court, testified as follows:

Direct examination by Mr. Rohde:

Q. Please state your name, occupation, and residence.
A. Benito Blanco, Interpreter, Court of First Instance of Manila, Calle Gastambide, Manila.
Q. How long have you smoked cigarettes, Mr. Blanco?
A. Perhaps about forty or fifty years.
Q. From what factory?
A. I generally smoke Insular.
Q. Have you ever smoked Tabacalera cigarettes?
A. Yes, sometimes.
Q. Did you ever hear of Isabela cigarettes before the beginning of this year?
80 A. I never heard.

That is all.

Cross-examination by Mr. Cohn:

Q. Do you know these cigarettes Exhibit "P"?
A. No.
Q. Never seen them before?
A. No.

That is all.
Witness excused.

Mr. MEYER, a witness called by the defendant, being first duly sworn in open court, testified as follows:

Direct examination by Mr. Rohde:

Q. Please state your name, occupation, and residence.
A. P. A. Meyer, manager of Kuenzle & Streiff, Santa Mesa, Manila.
Q. How long have you been in the Philippine Islands?
A. Going on fourteen years.
Q. When did you see this label for the first time, Exhibit "Q"?
A. I saw this label for the first time, if I remember correctly, about the latter part of June, I think after the 15th, when Mr. Hoffmaster came down to the office and he brought two of these packages with him and he said, "now, Mr. Meyer, we are going into another trade of cigarettes we have not done so far, we are going to make a first class machine-made cigarette, what do you think of the package?" I said I thought it looks rather attractive, I think that is all right. Then he said, "do you know why I put that on
81 this package?" Then I asked him why and he told me, "it is going to be one of our specialties, we are going to make these cigarettes out of all first class Isabela leaf tobacco."

That is all.

Cross-examination by Mr. Cohn:

Q. Mr. Meyer, you are the principal shareholder of the Alhambra Company, are you not?
A. Yes, sir.
Q. Your factory has several different trade marks and trade names has it not?
A. Yes, sir.
Q. And they are registered in the Bureau of Archives?
A. I believe all of them, yes, sir.
Q. And you do not want anybody else to manufacture cigars or cigarettes under those registered trade marks or trade names, do you?
A. No, sir.
Q. You would not permit or allow anybody else to use those registered trade names, would you?
A. No, sir.
Q. And you wouldn't adopt a trade name for a cigar or cigarette that could be used by anybody that cared to without some special object in view in so doing, would you?
A. What do you mean? No, as trade mark, no.
Q. Or as a trade name?
A. Well, I call a trade name, names such as perfector, excellente any of those names, we can not prevent anyone from using
82 those names; I do not know what you mean.
Q. You wouldn't give a name to a product of your factory, to a cigar or a cigarette that would be liable to be used by anybody who desired to use it would you?

A. If we can prevent it, no.

Q. And if you do that it is for a particular purpose, is it not?

A. Well, I say if we can prevent it, that is for instance general names as have been mentioned here, excellentes, our factory has made the first excellentes here and we could not register the name excellente, but we could register the name Alhambra Excellente. The name excellente is worth a great deal to our factory from the fact we made the first excellentes here and they are a popular cigar and from the fact all our competitors began to make cigars like that, and we could not register that name that way alone, everyone knows that, but the trade mark or trade name Alhambra Excellente we could register. The same way we can not register these cigarettes Isabelas but we can register them Alhambra Isabelas.

Q. In other words these cigarettes are registered as Alhambra Isabelas?

A. Yes, sir.

Q. Because your application for registration as Isabelas was refused?

A. I do not know, I have not made the application.

Q. Why do you state that the cigarettes were registered as Alhambra Isabelas because you could not register the name of Isabela alone?

A. Because I understand general terms or general names
83 like that could not be registered, anybody could use them that wants to.

Q. You were aware that Isabelas could not be used by yourselves exclusively, that it was a trade name which could be used by anybody as well as yourselves?

A. No, I never considered Isabela to be a trade name.

Q. Are you using it as a trade name for a particular cigarette?

A. We use Isabela in conjunction with Alhambra, we have the name Alhambra Isabelas.

Q. As the name of a cigarette?

A. Yes.

Q. In adopting this name for use you were of the opinion that anybody could manufacture cigarettes and call them Isabelas?

A. Yes, decidedly, because I never had any idea that anybody can take a name like that.

Q. In addition to your being president of the Alhambra Cigar & Cigarette Factory your firm is the principal stockholder of the Alhambra Company, is it not?

A. No, not the firm, some of the member- of the firm.

Q. You are a stockholder yourself, are you not?

A. No, I am not.

Q. But the people you represent are?

A. Yes, sir.

That is all.

Redirect examination by Mr. Rohde:

Q. All you have stated about how this is registered is from hearsay, is it not?

A. Yes, sir.

84 Q. You do not know just how it is registered, do you?

A. No, I have seen the registration papers but I have not read them over carefully.

Mr. Rohde: I offer in evidence the trade mark of the package Exhibit "Q" as Exhibit "17," and any of the other exhibits that have not been formally introduced by defendant which were used by it, and rest.

Rebuttal by the Plaintiff.

Mr. URMENETA, recalled:

Q. I hand you this box, Mr. Urmeneta, marked defendant's Exhibit "2," and ask you if you have ever seen anything like that before?

A. This is the first time that I have seen this box and this trade mark.

Q. Have you or the company you represent ever had any previous knowledge of that article represented by Exhibit "2"?

A. No, sir, if we had we would have immediately consulted our attorneys.

Q. Consulted your attorneys for what purpose?

A. To prevent their continuing the sale of these because it would prejudice us.

Q. Have you a very good knowledge of the marks and labels of cigars and cigarettes exported from the Philippines?

A. Yes, general knowledge.

Q. If cigars had been sold, marketed or exported under this name of Reina de Isabela would you have known it?

A. Yes, sir.

85 Q. Please state whether these cigars have been marketed or exported under this name of Reina Isabela in any quantity.

A. I can not tell, this is the first time I have seen it.

Q. But if it had been exported in any quantity would you have known about it?

A. Undoubtedly.

That is all.

Cross-examination by Mr. Rohde:

Q. You think that the phrase "Reina de la Isabela" is an infringement upon your rights?

Mr. Cohn: Objected to as immaterial.

The Court: It is cross examination. Objection overruled. Exception.

A. I have no particular opinion regarding that, otherwise I would not have to consult a lawyer.

Q. But you would have considered it of sufficient gravity to consult your lawyer about it?

A. From the moment I go to consult a lawyer it shows that I am not satisfied with my own opinion.

That is all.

Plaintiff rests.
Case Closed.

I hereby certify that the above is a true and correct transcript of all of the stenographic notes taken by me in the above-entitled case.

Manila, P. I., August 7, 1914.

(S'g'd) S. A. DEWING,
Official Reporter.

86 EXHIBIT "A."

Translation of Document Offered and Admitted in Evidence as Plaintiff's Exhibit "A."

Don Emilio Ferrero y Perinat, Lieutenant-General of the National Armies, Governor and Captain-General of the Philippine Islands, etc., etc.,

Witnesseth: That Whereas His Excellency, Don Lope Gisbert, General Manager in these Islands of the Compañia General de Tabacos de Filipinas, acting in the name and on behalf of the said corporation, has proved in due form and by competent evidence that the said corporation is the sole owner and possessor of the trade-names and trade-marks used by it to distinguish the products of the cigar and cigarette factory established by it in this city, the descriptions of which are as follows:

(1) *Trade-names.*

Flor de la Isabela.
La Montanesa.
Malabon.
Princesa.
Meisic, and
Cavite.

(2) *Trademarks.*

There is but one for all the products of the factory, a facsimile of which is attached marked with the letters A and B; it consists of a shield surmounted with a mural crown, divided into four quarters which contain, in the order in which they are mentioned, a tobacco plant, a brig on the sea with all sails set; a factory building; and several clumps of sugar-cane. In the center there is a
87 shield bearing the arms of the City of Manila; above and below are two ribbons bearing the name of the company, and on each side the words: "Trade mark."

Labels.

The label marked with the letter "C" is a special label of the "Flor de la Isabela." Upon a background of tobacco leaves and agricultural implements there is shown a ribbon forming a circle, with the words "Compañia General de Tabacos de Filipinas." In the center of the circle under the royal crown are shown the shields of Spain and of the City of Manila, overlapping, and under them the word "Barcelona." Above and below the circle are two small rectangles enclosing the name of the factory.

The design marked with the letter "D" is the label of the Montanesa brand and consists of a pleasant landscape with a river in the background and in the foreground a mountain girl in native costume. The upper part of the lab*le* bears the words "La Montanesa,"—"Fabrica de Tabacos." The lower part bears the word "Manila."

The design marked "E" is used to embellish the inside of the cover of the "Flor de la Isabela" boxes, and consists of a view of the Pasig River surmounted with the name of the factory; on the right side there is a bonga palm and on the left a banana plant; above there is a ribbon bearing the name of the company and below another bearing the word "Manila." On each of the four corners of the square enclosing the label there is a medallion insert showing native landscapes and bamboo huts.

The design marked "F," which is used for the same purpose as the one last described, consists of an oval within which is shown a group of men and women engaged in the work of sorting and cleaning tobacco leaves.

88 The design marked in the letter "G" is used for the purpose of embellishing the interior of the "Montanesa" brand cigar boxes and consists of a landscape on the left with an Indian woman in the foreground sitting on a case of cigars, engaged in smoking. At her feet there are shown an anchor and a number of cigar boxes. In the middle there is a card insert bearing the words "La Montanesa Fabrica de Tabacos, Manila", and at the right a boy tying up a package of cigar boxes.

The design marked with the letter "H" is also used for embellishing the interior of the "Montanesa" cigar boxes, the name of which appears at the top of the design. At the right the same figures of a mountain girl appearing in one of the designs above described, is shown. To the right of her there is a seascape with a boat in the foreground from which two boys are unloading cigar boxes.

The design marked with the letter "I" is used as a cover label for the boxes containing native cigars made in the factory of the company. It is divided horizontally by a straight line. In the upper square is shown the design of the front and back of the medal of honor awarded to the company at the Exposition held in Manila in 1882. Above the medal is shown the name of the company, with the words "Purveyor to the Royal Mansion." On the left appears the word "Amsterdam 1883, Certificate of Honor." On the right are the

words "Manila—1882. Award of Honor." In the lower square are shown a shield surmounted by the arms of the City of Manila and the words "Diploma of Honor, Antwerp—1885." On each side is shown a bonga tree with a tobacco plant growing at the foot of the tree, and in the center of the shield is the following legend:
89 "Manila—Compañia General de Tabacos de Filipinas—Factories—Flor de la Isabela—La Montanesa—Meisic—Malabon—Princesa—Cavite."

The labels of the designs shown under the letters "J", "K", "L" and "M" are used for wrapping cigarettes made in the "Flor de la Isabela" factory, and consist principally of two squares in the left of which is shown the bust of a woman, the design being different in each label, and to the right an Indian woman in a sitting position, to whom a negro is offering cigars. These two squares are separated by inscriptions bearing the name of the factory, the top being surmounted by an arabesque design and below by a landscape.

The labels marked with the letters "N", "Ñ" and "O" are used for the same purpose as the ones last described. They are all composed of variations of arabesques, scrolls and landscapes, the dominating feature being the arms of Spain overlapping the arms of Manila, surmounted by the royal crown and bearing the names of the company and of the "Flor de la Isabela."

The labels marked with letters "P", "Q", "R" and "S" are also used for marking cigarette packages, but are used for the products of the "La Montanesa" factory. They are composed of two squares, the one to the right showing the figure of a woman, the design being different in each drawing, and in the left the figure of the mountain girl above described, and of a boy unloading cigar boxes from a boat. Below each there is a landscape view.

The labels marked "T" and "U" are used for wrapping cigarettes from all the factories of the company, and consist, in the upper portion, of a landscape, and below the trade name of the company's factory; to the right is a hieroglyphic in the first label and a letter of the alphabet in the second, and in the left the names of the company and of the two factories.
90

The model marked with the letter "V" is used as a label on the packages of longcut smoking tobacco prepared in the "Flor de la Isabela Factory," and consists of a circle around the interior border of which appears the name of the factory. In the foreground there is an Indian woman in a sitting position surrounded by cigar boxes, and in front of her a negro boy offering cigars. The design is surmounted by the name of the company and at the bottom appears the word "Manila", with a description of the quantity and class of the longcut tobacco contained in the package, the whole being surrounded by a fancy border design.

Finally, the label marked with the letter "X", which is used for the same purpose as the one last described, differs from the latter only that in place of the sitting Indian woman the shield of Spain overlapping the shield of Manila is shown, both shields being surmounted by the royal crown.

Therefore, by virtue of the provisions of the trade-mark regulations

in force I issue to the company this certificate of ownership which gives it the right to all the benefits conferred by the law, and authorizes it to prosecute before the courts all persons who may endeavor to usurp or counterfeit the lawful rights hereby conferred.

This title shall be countersigned by the Director of Civil Administration and registered in the Bureau of Agriculture, In-
91 dustry and Commerce, without which it shall be of no value or effect.

Done in Manila, the 5th day of April, 1887.

(Sgd.) EMILIO FERRERO,
The Governor-General.

(Sgd.) ANTONIO DE VILLAVE,
The Director-General.

[Seal Bearing Central Office of Civil Administration, Philippines.]

Recorded in the Bureau of Agriculture, Industry and Commerce under No. 45, at Folios 21 and 22 of the Register of Trademarks.

Manila, April 5, 1887.

(Sgd.) ANTONIO MARTEL DE GOYENA,
Officer in Charge of the Bureau.

NOTE.—There are attached to the original, facsimiles of the marks and labels described in the body of the certificate.

92 EXHIBIT "B."

Plaintiff's Exhibit "B" is a copy of a paragraph of a letter received from plaintiff's New York agent under date of January 23, 1914, which reads as follows:

"In one instance we are more than disappointed. The largest and "most influential jobbing house in Boston is McGreenery & Man-"ning, and for some time past we have been working for this busi-"ness.—At the close of last year it was practically promised us, the "firm knowing well the excellent product of the "Isabela"; being "satisfied with the samples they saw and being satisfied with the "price.—We expected to receive their initial order after the 15th "of January, but upon going to Boston this week to obtain this "order, the buyer informed us that he was sorry to have to admit "that he had placed the order with the "Yebana" Factory.—We "protested that this was not the treatment we had expected, but they "tried to explain that there were certain conditions and inducements "held forth by the Manila Commercial Company, which made it "imperative for them to place the business in that direction.—They "acknowledge that ours was a better cigars, and that undoubtedly "they would have been more satisfied with shipments made by us, "and yet they pass us by."

EXHIBIT "C."

Plaintiff's Exhibit "C" is a copy of a paragraph in a letter from plaintiff's New York agent, addressed to the Manila office, dated February 20, 1914, which reads as follows:

"I am giving you conditions exactly as I found them and it cer-"tainly seems to me that to place our brand with the right houses a "missionary man must be employed to aid the jobbers. We want "volume. We have the goods and we ought to get the business. "Why is Kelly doing such a large business, when he has nothing "like the quality of the 'Isabela'? I know what he has done for "Austin, Nichols & Co. and undoubtedly he has done it for others. "I should mention that throughout the South a foil cigar is the only "one that sells as a 5¢ cigar. If properly established, we could no "doubt wean the trade away from this, and give them better value "with our 'Perfecto' or 'High Life A.' I called at the United Cigar "Stores in every city I visited, and found they all carried 'Isabelas', "and had received advice from headquarters that this was the brand "to push. The chief business seemed to be in Londres, as for a 5¢ "Manila they sold Kelly's foil wrapped 'Flor de Germann.'"

93 EXHIBIT "D."

Plaintiff's Exhibit "D" is a letter addressed to the New York office of the plaintiff corporation by the Vice-President of the United Cigar Stores, dated New York, February 27, 1914, which reads as follows:

"United Cigar Stores Company, 44 West 18th Street, New York, " February 27, 1914. Compania General de Tab. de Fil. Co., New " York. Gentlemen:—When replying, please refer to SW. Con- " firming our telephone conversation of this A. M. we would thank " you to cable your Manila factory to double up on the shipment of " Flor de Isabella Perf. 1/40 in the month of March.

"This means that they are to ship 100,000 of these cigars instead " of 50,000 as ordered. You may also include in this cable that we " are sending orders for 100,000 Isabella Perf. 1/20 to be shipped " 25,000 monthly and 200,000 Isabella Perf. 1/40 to be shipped " 50,000 monthly; shipments on these orders to begin in the month " of April.

"These orders are being sent to you in the regular way.

"Thanking you for your attention to this matter, Respectfully " yours, (Signed) W. Baeder. Vice President."

EXHIBIT "E."

Plaintiff's Exhibit "E" is a letter from Messrs. Havre & Company of San Francisco, California, addressed to plaintiff's Manila office, under date of April 8, 1914, which reads as follows:

"Per 'Empress of Russia' From Seattle April 16, 1914. April 8,

"1914. Cia. Gral. de Tabacos de Filipinas, Manila. Dear Sirs:—
"We duly received your favor of Feb. 27th, contents of which are
"duly noted, and are checked up as O. K. Ehrman Bros. & Co. have
"asked us to have the paster 'La Flor de la Isabela,' which goes on the
"end of the boxes, as per sample we enclose herewith, changed as fol-
"lows:—Make the strip about half as wide again as the enclosed sam-
"ple, and instead of the words 'La Flor de la Isabela', put on just
"the one word 'Isabela' in large letters. Ehrman Bros. say their cus-
"tomers claim that the lettering on this strip is too small for the cus-
"tomers to notice it readily behind the counter, whereas a large let-
"tering of the word "Isabela" will be much more attractive and more
"noticeable. Furthermore, the trade here knows the cigars as 'Isa-
"bela' pure and simple. Marx Bros. These people have requested
"that you put their name on the hinge strip of the boxes 'Marx Bros.
"Distributors', similarly to what you are doing for H. Jevne Co., Los
"Angeles. Without anything further for today, we remain, Yours
"very truly (Sgd.) G. B. Havre & Co. HJ."

94 EXHIBIT "F."

Plaintiff's Exhibit "F" is an advertising circular issued by Marx Bros., Manila cigar dealers of San Francisco, California, in which they make the following announcement:

"On April 12, 1914, we will receive via S. S. 'China' our first ship-
"ment of Isabella Manila Cigars."

EXHIBIT "H."

Plaintiff's Exhibit "H" is a requisition from the Benguet Commercial Company dated Baguio, Benguet, P. I., May 5, 1914, for thirty packages of cigarettes of plaintiff's manufacture ordered under the designation of "Isabela Cortos."

EXHIBIT "I."

Plaintiff's Exhibit "I" is an order from a merchant at Catbalogan, Samar, dated February 7, 1914, for 200 packages of cigarettes of plaintiff's manufacture under the designation of "Isabela Cortos."

EXHIBIT "J."

Plaintiff's Exhibit "J" is an order from a merchant in San Fernando, Union Province, P. I., dated April 25, 1914, for 1,500 packages of cigarettes of plaintiff's manufacture specified under the designation of "Isabela Cortos."

EXHIBIT "K."

Plaintiff's Exhibit "K" is a letter from a merchant in Nueva Caceres, P. I., dated April 8, 1914, containing an order for 200 packages of cigarettes of plaintiff's manufacture designated in said letter under the name "Ysabela cortos."

EXHIBIT "L."

Plaintiff's Exhibit "L" is a letter from a merchant in Legaspi, Albay, P. I., dated May 16, 1914, containing an order for 30 packages of cigarettes of plaintiff's manufacture designated
95 in said letter under the name of "Isabela Cortos."

EXHIBIT "M."

Plaintiff's Exhibit "M" is a letter from a merchant in Jolo, Moro Province, P. I., dated February 5, 1914, ordering 2,000 packages of cigarettes of plaintiff's manufacture designated in said letter under the name of "Isabella Cortos."

EXHIBIT "N."

Plaintiff's Exhibit "N" is a printed price current of the cigars and cigarettes manufactured by plaintiff at Manila, P. I., issued July 1, 1913, in which prices on plaintiff's long-cut cigarettes are quoted under the names of

Isabela Short
Isabela Medium
Isabela Long.

EXHIBIT "O."

Plaintiff's Exhibit "O" is a cardboard box in which the cigarettes of plaintiff's manufacture are offered for sale in retail in lots of ten. On the front and back of the boxes are the words "Isabela Cigarettes", and on the sides, "Famous Isabela Cigarettes."

EXHIBIT "P."

Plaintiff's Exhibit "P" is a package of cigarettes of plaintiff's manufacture on the exterior of which the words "Isabela Cortos" are printed.

EXHIBIT "Q."

Plaintiff's Exhibit "Q" is a package of cigarettes of defendant's manufacture, on the exterior of which the words "Isabela Cortos" are printed.

96 *Defendant's Exhibits.*

EXHIBIT 1.

Defendant's Exhibit "1" is a piece of jute sacking of the kind used to cover bales of tobacco in preparation for shipment.

EXHIBIT 2.

Defendant's Exhibit "2" is a cigar box bearing the name of the "Flor de Intal" factory.

EXHIBIT 3.

Defendant's Exhibit "3" consists of six clippings from Manila newspapers containing advertisements of cigars of defendant's manufacture under the name of "Alhambra Isabelas", each of which contains an illustration of a paper package of cigarettes on which is printed in bold type the words "Alhambra Ysabelas."

EXHIBIT 4.

Defendant's Exhibit "4" is a letter addressed to Messrs. Kuenzle & Streiff, under date of March 17, 1911, which reads as follows:

"Law offices of W. A. Kincaid, Thomas L. Hartigan, Manila, "March 17, 1911. Messrs. Keunzle & Streiff, Manila. Dear Sirs:— "Herewith beg to hand you the license of the Tabacalera Company "with reference to the pig-tail cigar, and also a letter of explanation "from Mr. Cohn, which seems to be all that was desired by your Mr. "Hube, and which we feel sure will be satisfactory, and in conse- "quence thereof we have today addressed a letter to Messrs. Hausser- "mann & Cohn, a carbon copy of which is enclosed. Very sincerely "yours, (Sgd.) W. A. Kincaid. Enc."

EXHIBIT 5.

Defendant's Exhibit 5 is a letter from Haussermann, Cohn & Fisher, dated Manila, March 16, 1911, addressed to Mr. W. A. Kincaid, which reads as follows:

97 "Haussermann, Cohn & Fisher, Counsellors at Law. Ma- "nila, P. I., March 16, 1911. W. A. Kincaid, Esq., Manila,

" P. I. Dear Sir:—We beg leave to acknowledge the receipt of your " letter of March 16th, relative to the license executed by the Com- " pañia General de Tabacos de Filipinas in favor of Messrs. Kuenzle " & Streiff relative to the manufacture of cigars under the patented " process of the former. In reply thereto, we beg leave to assure you " that the restrictions of Clause 4 is equally applicable to the names " adopted by your clients for their cigars as to those of the Tabac- " alera. It was only because we fully recognized that the law of trade " mark and unfair competition would prevent us from infringing " your names that no mention of the latter was made, and on the " other hand, Clause 4 was introduced only to avoid a misconception " of the extent of the license that was being granted. Relative to " Clause 7 of the license, we would say that your construction is quite " acceptable. We have no idea of expending our money uselessly in " the event, that after fair and reasonable litigation it should be " definitely decided that we can not maintain the patent, and cer- " tainly will not require you to do so. The object of Clause 7 is " merely to require your clients to defray one half of the expense of " reasonably protecting and enforcing the patent, which under the " license is almost of as much value to you as to us. Sincerely yours, " Haussermann, Cohn & Fisher, pp. (Sgd.) Charles C. Cohn."

EXHIBIT 6.

Defendant's Exhibit "6" is omitted, it being stipulated that it is correctly described in the testimony of the defendant's witness Hoffmeister, on pages 59 et seq. of the stenographic notes.

EXHIBIT 7.

Defendant's Exhibit "7" is an advertising card used by defendant to advertise the output of its cigar and cigarette factory, which contains the following statement:

"This factory uses none but the finest selected 'Isabela' leaf in all " their high grade cigars".

EXHIBIT 8.

Defendant's Exhibit "8" is a label used as a flap cover for cigar boxes, on which is printed in Spanish:

"Carefully made from the best Isabela leaf".

98 EXHIBIT 9.

Defendant's Exhibit "9" is a label used on the boxes containing defendant's "Imperial" brand of cigarettes, which bears the words:

"Choisest cigarettes made exclusively from the very best assorted "leaves of the best districts of Ysabela Province."

EXHIBIT 10.

Defendant's Exhibit "10" is a catalogue iss-ed in July, 1916, by Walter E. Olsen & Company, Manila cigar dealers, which contains advertisements of their "Jose Rizal" cigars, which are described as being made

"From the most carefully selected leaf grown in the rich fields "of Isabela Province".

It also contains an advertisement of the "Primera Hebra" cigarettes manufactured by the Yebana Cigar and Cigarette Factory in the City of Manila, which are described as being made of

"a superior blend of the finest selected matured Isabela tobacco "grown on the company's own plantations in Isabela Province".

It also contains an advertisement of defendant's "Alhambra Imperial" cigarettes, which are described as follows:

"Made by hand from the choisest Isabela leaf from which all "stems and veins have been carefully removed leaving only the heart "of the leaf."

EXHIBIT 11.

Defendant's Exhibit 11 is an illustrated advertising pamphlet issued by defendant in 1912, which contains a statement that the cigars and cigarettes made by defendant in the Alhambra factory are made of tobacco selected by buyers sent by plaintiff to visit "various plantations in the Cagayan Valley of northern Luzon, where the choisest Isabela tobacco is grown".

99 EXHIBIT 12.

Defendant's Exhibit "12" is a pricelist of cigars and cigarettes issued by "La Insular" factory in Manila, which contains a statement that the factory has

"large stocks of leaf tobacco from Isabela and Cagayan, which is the "best guarantee of the quality of its products".

EXHIBIT 13.

Defendant's Exhibit "13" is an advertising card on which it is stated that the cigars made by defendant are

"of the very highest grade of picked Isabela tobacco".

EXHIBIT 14.

Defendant's Exhibit 14 is a pricelist issued in July, 1913, b
Walter E. Olsen & Company, Manila cigar dealers, which contain
an advertisement of the cigars made by the Insular factory in Manil
which are described as being made from

" the choisest quality of Isabela tobacco".

It also contains an advertisement of the cigars made in defendant
Alhambra Cigar & Cigarette Factory, which are described as

" made from Isabela leaf, filler and wrapper".

It also contains six pages of illustrated advertisements of the ciga
made by plaintiff corporation in its Manila factory, on each page
which the words "La Flor de la Isabela" are used to designate plai
tiff's products, the same words appearing on the photograph repr
ductions of the rings used on plaintiff's cigars and on the boxes co
taining them.

100 EXHIBIT 15.

Defendant's Exhibit "15" is a copy of the Trade Journal entitle
"The Tobacco Leaf", issued in New York under date of April 2
1914, which contains a reprint from a Manila paper on the subje
of the United States market for Manila cigars in which it is said,
ferring to the Manila cigar factories:

"La Insular, La Flor de la Isabela, La Yebana, Alhambra an
" Helios are satisfied with their present business".

EXHIBIT 17.

Defendant's Exhibit 17 is a copy of a certificate issued on June 2
1914, by the officer in charge of the Division of Archives, Patent
Copyrights and Trademarks of the Executive Bureau of the Philip
pine Government, of the deposit by defendant corporation on May 2
1914, for registration, of facsimiles of a certain trademark for ciga
ettes, to which is attached an affidavit in the following words an
figures:

"To all whom it may concern: Be it known that the Alhambr
" Cigar & Cigarette Manufacturing Company, a corporation dul
" organized under the laws of the Philippine Islands, with its prin
" cipal office in the City of Manila, and doing business in the Cit
" of Manila, has adopted for its use a trade-mark for manufacture
" of tobacco of which the following is a description:

"As shown in the accompanying facsimile, the trade-mark consis
" of two gilt and one dark blue band impressed upon paper the whol
" forming a rectangle: upon the upper gilt band appears a crow
" and shield and in dark blue letters the words: "Alhambra, S

"Cigarrillos de Calidad Superior—Hechos Puramente Con Hojas "Escogidas de la Ysabela; and on the middle dark blue band appear "in gilt letters the words: "Ysabelas—Garantizadas por Alhambra Cigar & Cigarette Mfg. Co., Manila,—A-4-5.

101 "The applicant desires to begin the use of said trademark "immediately.

"The class of merchandise to which the trademark is appropriated "is manufactures of tobacco, and the particular description of the "goods comprised in said class on which said trade-mark is used is "cigarettes.

"The trade-mark is to be applied as a wrapper for packages of "cigarettes. Alhambra Cigar & Cigarette Mfg. Co., By (Sgd.) "P. A. Meyer, President. Witnesses: (Sgd.) F. A. Cruz ——, Cris-"tino Arriola."

"United States of America, Philippine Islands, City of Manila, *ss.* "P. A. Meyer, being duly sworn deposes and says: That he is the "President of the corporation the Alhambra Cigar & Cigarette Manu-"facturing Company, the applicant named in the foregoing state-"ment; that he verily believes that the foregoing statement is true; "that the said firm at this time has a right to the use of the trade-"mark therein described; that no other person, firm or corporation "has the right to such use, either in the identical form or in any "such near resemblance thereto as might be calculated to deceive; "that the trade-mark is used by the said company in domestic and "foreign commerce and particularly with Europe and America and "that the description and facsimiles presented for record truly rep-"resent the trademark sought to be registered. (Sgd.) P. A. Meyer. "Subscribed and sworn to before me, this 19th day of May, 1914. "Affiant exhibited his cedula No. F 9410, issued at Manila, Jan. "20th, 1914. (Sgd.) W. L. Wright, Notary Public. My Commis-"sion expires December 31, 1914. No. 66. Page 91. Book 1."

It is hereby stipulated and agreed by and between the parties, plaintiff and defendant, to the above entitled cause, that the foregoing translation and synopsis of the exhibits introduced by the respective parties litigant is correct and may be incorporated into the record of the proceedings for transmission to the Supreme Court of the United States for the purposes of the appeal to said court taken on behalf of plaintiff, with the same purpose and effect as though

102 the full text of the said exhibits had been set forth; it being further stipulated that the omitted portions of the said exhibits are unimportant and that the exhibits were introduced for the purpose of drawing to the attention of the Court the portions thereof set forth in the preceding synopsis; that the omission of the full text of said exhibits is agreed to for the purpose of preventing the record from being unnecessarily cumbersome.

Manila, P. I., February 9, 1917.

ROHDE & WRIGHT,
pp. WM. J. ROHDE,
Attorneys for Alhambra Cigar & Cigarette Mfg. Co.
COHN & FISHER,
pp. F. C. FISHER,
Attorneys for Compañia General de Tabacos de Filipinas.

103 That said Court, on the 24th day of August, 1914, rendered its decision thereon, in the following terms:

Decision.

This is a petition for an injunction restraining defendant from employing or making use of the word "Isabelas" as a distinctive brand or name for cigarettes or other manufactures of tobacco manufactured or offered for sale by said defendant. The petition also asks for an accounting of all profits realized by the defendant from the sale of cigarettes under the name and style of "Isabelas." Petitioner alleges both unfair competition and infringement of trade-name. Defendant's answer admits that both plaintiff and defendant are duly organized corporations authorized to transact business in the Philippine Islands, and denies all the other allegations of the petition.

There is very little dispute as to the facts. It is fully established by the evidence that the plaintiff has for many years operated a tobacco factory known as "La Flor de la Isabela"; that this name has generally appeared on the packages and labels used by the plaintiff for the marketing of its manufactured tobacco products; that on the 5th day of April, 1887, the Spanish Government conferred upon the plaintiff the exclusive ownership of various trade-marks containing in conspicuous letters the phrase "La Flor de la Isabela"; that this phrase was adopted because the plaintiff in the manufacture of cigars and cigarettes originally used tobacco leaf from the Province of Isabela; that for some ten years or more last past the plaintiff has manufactured a brand of cigarettes called "Isabela", known generally to the trade as "Isabela Cortos", "Isabela Entrelargos" and "Isabela Largos" according to size; that sometimes these cigarettes are called "Isabelas" only; that the tobacco products of the plaintiff are generally known in the United States under the name "Isabela"; that about June 15th of this year the defendant began to manufac-

104 ture and offer for sale a cigarette styled "Isabelas", the labels of the packages in addition to that name also containing the name "Alhambra" in large type; and that there is otherwise no misleading resemblance of the packages and labels to those of the plaintiff.

We doubt that the facts established, under the circumstances of the case, justify the inference of actual intent on defendant's part to deceive the public and defraud a competition and can, therefore, not find the defendant guilty of unfair competition; the case is rather one of the violation of trade-mark under the first four sections of Act No. 666. Section 1 of the Act reads:

"A trade-mark is a name, emblem, sign, or device employed by any person, firm, or corporation to designate the goods dealt in or manufactured by such person, firm, or corporation, for the purpose of enabling the public to recognize such goods and manufactures, and to distinguish them from the goods and manufactures of others."

Section 4 of the Act provides that in order to justify recovery for its infringement registration of the trade-mark need not be shown:

"It shall be sufficient to invoke protection of his property in a trade-mark if the party complaining shall prove that he has used the trade-mark claimed by him upon his goods a sufficient length of time so that the use of the trade-mark by another would be an injury to him and calculated to deceive the public into the belief that the goods of that other were the goods manufactured or dealt in by the complaining party."

That a certain grade of cigarettes manufactured by the plaintiff has for a number of years been generally known under the name of "Isabela" cannot, under the evidence, be doubted; it is equally well established that in some parts of the world the output of the plaintiff's tobacco factory is known by the same name; it is a fair
105 conclusion that the use of the name for their products by other tobacco factories would be calculated to deceive the public. But the defendant argues that "Isabela" is the name of a province and that under the proviso in section 2 of the Act mentioned geographical names cannot be exclusively appropriated. The proviso reads as follows:

"Provided. That a designation or part of a designation which relates only to the name, quality, or description of the merchandise or geographical place of its production or origin cannot be the subject of a trade-mark."

We do not think that in the present case the name "Isabela" as applied to plaintiff's cigarettes in reality has much to do with the "name, quality, or description" of the cigarette so named or with the place of its production; it is manufactured in Manila and is admittedly made of tobacco other than that from Isabela Province. The name was probably originally only an abbreviation of the phrase "La Flor de la Isabela", which in turn owed its origin to the fact that the plaintiff used tobacco leaf from the Province of Isabela (see testimony of witness Malvehy), but it is evident that in speaking of "Isabela Cortos" or "Isabela Largos" direct reference is not had to the Province of Isabela. It is therefore clear that through usage the name "Isabela" in connection with cigarettes has acquired a special signification and cannot in this sense be regarded as a geographical name. The doctrine of secondary meaning in regard to trade-names is too well established to call for further discussion.

The injunction issuing in this case should, in the opinion of the Court, be limited to cigarettes; it does not appear that the defendant threatens to use the name Isabela to designate its other products.

Wherefore, the defendant, the Alhambra Cigar & Cigarette Manufacturing Company, its officers, agents, attorneys, employees, or other representatives are hereby perpetually prohibited from em-
106 ploying or making use of the word "Isabelas" or any equivalent thereof, or of any other word or name confusingly similar thereto as a distinguishing brand or name for cigarettes manufactured by said defendant.

It is further ordered that the said defendant within the period of thirty days from the date upon which this decision become final render an account to the plaintiff of all profits realized from the sale of cigarettes manufactured by said defendant and marketed under

the name and style of "Isabelas" and that said defendant pay the plaintiff a sum equal to the amount of such profits, together with the costs of this action.

It is so ordered.

Manila, P. I., August 24, 1914.

(Sgd.) JAMES A. OSTRAND, *Judge.*

That immediately upon notice of said decision the defendant excepted to the findings and conclusions thereof, and on the 26th day of August, 1914, filed its motion for a new trial, as follows:

Motion for New Trial.

Comes now the defendant and moves the Court to set aside the judgment rendered herein and to grant a new trial of the above entitled cause upon the following grounds:

1. That the findings of fact are plainly and manifestly contrary to the weight of evidence;
2. That the evidence introduced is insufficient to justify the decision;
3. That the decision made upon the findings is contrary to law.

(Sgd.) ROHDE & WRIGHT,
Attorneys for Defendant,
By W. L. WRIGHT.

107 which motion being heard on August 29th, 1914, was thereafter on the 3rd day of September, 1914, overruled by the Court in an order as follows:

Order Denying Motion for New Trial.

After due hearing and upon careful consideration the defendant's motion for new trial is hereby denied.

It is so ordered.

September 3, 1914.

(Sgd.) JAMES A. OSTRAND, *Judge.*

That defendant duly excepted to the said order overruling its said motion for a new trial and gave notice of its intent to present for allowance a Bill of Exceptions and to appeal to the Supreme Court.

That on the 10th day of February A. D. 1916, the Supreme Court of the Philippine Islands, rendered its decision in the terms following.

(Title, Court and Cause.)

MORELAND, *J.:*

The plaintiff claims to have appropriated and to own the exclusive right to use the word "Isabela" on cigarettes.

Some time before the commencement of this action defendant began the manufacture of cigarettes, offering them to the public in packages on the front side of each of which appeared the words "Alhambra Isabelas." This action was brought to enjoin the defendant from so using the word "Isabelas". Judgment was for plaintiff and defendant appealed.

The complaint contains two counts, one for the violation or infringement of the trade name "Isabela", and the other, claims
108 the plaintiff, for unfair competition arising out of the use by the defendant of the word "Isabelas" on its cigarettes in the manner already stated. The trial court dismissed the count based on unfair competition, saying, "We doubt that the facts established, under the circumstances of the case, justify the inference of actual intention on defendant's part to deceive the public and de-
109 fraud a competitor, and can, therefore, not find the defendant guilty of unfair competition." Although neither count in the complaint was based on the infringement or violation of a trademark, and plaintiff, during the trial, offered no evidence on that subject, and, accordingly, no issue was framed thereon either by the pleadings or on the trial (Lizarrga Hermanos vs. Yap Tico, 24 Phil. Rep. 504), nevertheless, the court in its decision for plaintiff, treated the action as one for the infringement of a trademark, saying, "the case is rather one of the violation of a trademark under the first four sections of Act No. 566." The court then cites those sections of the act relative to trademarks, discussed them at some length, and finally founded judgment thereon.

Plaintiff did not appeal from that portion of the judgment finding the defendant not guilty of unfair competition; while the defendant appealed from that part founded on the violation of a trademark and decreeing a perpetual injunction. Therefore, the question involving unfair competition is not really before us, that count of the complaint founded thereon having been, in effect, dismissed by the trial court and no appeal having been taken from that dismissal. While the court founded its judgment solely on the theory of a violation of a trademark and, although the defendant insisted from the very beginning that the action as set out in the complaint in no possible way involved the question of a trademark, nevertheless, the court, as we have already seen, proceeded to try and resolve the case on that theory and based its judgment exclusively thereon. Defendant now contends that, if it appears that the action was not for a violation of a trademark, the judgment should be reversed, as it was wholly misled in its defense and would be seriously prejudiced
110 by the change necessarily resulting. We regard the action, however, as we necessarily must under the statute, as one for the violation of a trade name and not one for the violation of a trademark or for unfair competition. But, inasmuch as we find for the defendant on the whole case and reverse the judgment against it, we do not stop to dispose of the question as to whether the theory of the action was changed during or after trial or on appeal so long as the parties have agreed on certain questions which they have submitted and discussed, which questions include all those which can arise

whether the action be for the violation of a tradename or for unfair competition. We prefer to decide the case so as to end the litigation once for all.

Inasmuch as the plaintiff did not appeal from the judgment dismissing the complaint as to unfair competition, we would be justified in holding that that question is not before us and, accordingly, in deciding the case from the single viewpoint of a violation of a trade name. But for the reasons just expressed, we take up both alleged causes of action and decide all the questions presented by both.

Plaintiff's claim is this: It has trade name rights in the word "Isabela". The defendant has violated those rights. Plaintiff is entitled to damages on the theory of violation of a trade name, or unfair competition, or both. Can it recover? We hold that none of these claims have been sustained and that plaintiff is not entitled to recover on any theory mentioned. We proceed to show why.

Rights of action for the violation of a trademark or trade name or to restrain unfair competition are conferred by statute. Without such a statute right of action would not exist in those cases.
111 In deciding this appeal, therefore, we must be governed by the provisions of the statute.

The act is No. 666 of the Philippine Commission and confers a right of action in three cases,—for the violation of a trademark, a trade name, and to restrain unfair competition. The statute founds the cause of action in the first two cases exclusively on the invasion of the right of property which the statute gives in the trademark or trade name. These actions are not based on fraud nor is the right given on the theory of unfair competition. It is founded solely in the property which the statute creates in the trademark or trade name. These two cases are dealt with somewhat on the theory of patents, giving the owner of the trademark or trade name a right in the thing similar to the right created by a patent. As a necessary consequence, an action for a violation or infringement of a trademark or trade name does not proceed primarily on the theory that either the plaintiff or the public has been or will be defrauded, although that may be, in effect, the result; but on the hypothesis that plaintiff's right in the mark or the name has been invaded and that he is entitled to the damages resulting from the invasion. In either case an action may be maintained without proof of anything more than the right to the exclusive use of the mark or name and that the defendant has violated it. No allegation or proof of fraud or intent to defraud is necessary. On the other hand, the action to prevent unfair competition is based exclusively on fraud; and it would seem from the wording of the statute that it refers to the fraud committed on the public rather than to the fraud committed on the plaintiff,—the fraud against the plaintiff being only an incident,—the means by which the fraud is perpetrated on the public. No right of property in the appearance which plaintiff gives to his
112 goods is required, if the word property may be used in such a connection, and none needs to be alleged or proved. In such an action plaintiff, to recover, must prove that the defendant, in selling his goods, gave them the same general appearance of the goods

of the plaintiff either in the wrapping of the package in which they were contained or in the devices of words thereon or in some other feature of their appearance which would be likely to influence purchasers to believe that the goods offered for sale by defendant were those of the plaintiff; and that the defendant clothed his goods with such appearance for the purpose of deceiving the public and of defrauding the plaintiff of his legitimate trade. The statute expressly requires that the plaintiff prove the intent to deceive the public and defraud a competitor before he can recover; and, while such intent may be inferred from the similarity in the appearance of the goods as packed or offered for sale, such an inference is not a necessary one, it being legally possible that such similarity exist and there still be no intent to deceive. Fraud, then, is the essence of an action of unfair competition; right in property the essence of the other two.

From these observations it is a necessary deduction that an action for the violation of a trade name cannot be carried on in conjunction with an action of unfair competition based on a similarity to the plaintiff's trade name. If an action on the trade name will lie, then an action of unfair competition based on similarity to the trade name is impossible; whereas, on the other hand, if an action of unfair competition is the proper action, then one for the violation of a trade name based on the same facts will not lie. The facts which will support an action for the violation of a trade name will
113 not support an action of unfair competition. The same is true of an action for the violation of a trademark except where such an action fails for the reason that the trademark is invalid because it consists of a word or words which, in law, is not capable of appropriation as a trademark. In such case, by express provision of the statute (Section 7), an action of unfair competition will lie. No such exception is made in favor of a trade name; and if the plaintiff fails to establish his right of property therein, his failure is irremediable. He cannot fall back on the action of unfair competition. We apprehend that the reason why this privilege was not extended to a plaintiff in an action for the violation of a trade name was that an action of unfair competition is based exclusively on the appearance of the goods as they are exposed for sale; while, under the statute, the trade name, unlike the trademark, applies exclusively to the business, profession, trade or occupation of the plaintiff and, as a consequence, it is not essential that the trade name appear on plaintiff's goods or go into the market with them. (Section 5.) It is clear that, if the action of unfair competition is based on the appearance of the goods as they are exposed for sale, the facts necessary to support an action for the violation of a trade name will not sustain it, as neither the trade name of the plaintiff nor of the defendant need go into the market at all, and, as a consequence, the similarity of appearance between the goods of plaintiff and defendant, a fact necessary to sustain an action of unfair competition, may not exist.

Another principle of the law of trademarks, trade names and unfair competition of importance in this case, and one which naturally

follows from what has already been said, is that there can
114 be secondary meaning, as that term is understood in the American Law of trademarks and trade names, with respect to a trade name. It must be borne in mind, as we stated at the outset, that the only rights existing in this jurisdiction with respect to trademarks and trade names, as well as unfair competition, are conferred by Act 666; and, accordingly, they are limited by the provisions of the act. The statute prohibits the registration of a trade name when that trade name represents the geographical place of production or origin of the products or goods to which the trade name refers, or when it is merely the name, quality, or description of the merchandise with respect to which the trade name is to be used. In such cases, therefore, no trade name can exist. The statute prescribes what a trade name may be and then gives a right of action to protect the owner of that trade name. If it is not a trade name defined by statute, it does not carry with it the right of action granted by the statute. No trade name can legally exist except that legally prescribed by the act. If it can exist, it can be enforced as, and only as the rights in trade names are enforced under the statute. If it cannot exist as a trade name, it cannot be enforced at all, either as a trade name, i. e., as a property right, or on the theory of unfair competition based on the doctrine of secondary meaning. Of course, if the trade name is not recognized in law, it can have no secondary meaning. Moreover, the doctrine of secondary meaning as it is known in the United States, is carried into effect on the theory of unfair competition and not on the theory of property in the trade name. Indeed, the necessity of basing the action on the theory of unfair competition negatives the existence at that time of the trade name in its primary meaning. In this jurisdiction that necessity is em-
115 phasized by the fact that, as we have seen, the statute makes a sharp distinction between actions for the violation of a trademark or trade name and those based on unfair competition, the former being founded in a property right and the latter on the fact that fraud has been or will be committed on the public. Furthermore, if the action of unfair competition based on the similarity of plaintiff's and defendant's trade names cannot be maintained in this jurisdiction, as we have seen that it cannot, then the fundamental basis of the doctrine of secondary meaning disappears. We might add that the statute does not seem to have dealt with trade names as it has with trademarks; for, with respect to the latter, it expressly confers, as we have seen (section 7), a right of action for unfair competition even though the trademark, as such, is illegal and unregisterable by reason of being the name of the geographical place of production or origin of the goods to which it is affixed, or the name, quality or description of the merchandise on which it is placed. In other words, the statute seems to create with regard to a trademark a right which is, in many aspects, the equivalent of that springing from the doctrine of secondary meaning, and where the trademarks, though illegal and unregisterable under the act, has been used by the plaintiff for such a length of time that it has ceased to be used and understood in its primary meaning, the owner will be

protected on the theory of unfair competition. The statute does not confer a right on the owner of a tradename under similar circumstances.

The trial court was, therefore, correct in dismissing that count of the complaint based on unfair competition. The statute, as we have already observed, does not permit these two actions to be maintained on the same facts. We might say, however, that the ownership of a trade name does not necessarily prevent the owner from bringing an action of unfair competition founded on the appearance of the
116 goods of defendant as exposed for sale, which appearance is not based on similarity to the owner's trade name. Such an action would have to be based on the general appearance of the package, its form, color, style, adornment, and matters of that character; and would not lie on appearance arising from the similarity of plaintiff's and defendant's trade names.

The effect of these observations and conclusions would necessarily be to end the case at this point if we were disposed to leave the other questions presented for resolution unsettled; for, if there can attach to a trade name no secondary meaning, plaintiff's action must fail. It is based exclusively on the secondary signification of the word "Isabela" which it has acquired by long association with plaintiff's cigarettes, by virtue of which it no longer means to the trade and the public generally when used in connection with tobacco products, a province of Luzon or the tobacco grown in that province, but simply and solely the products of plaintiff's factory. In other words, the claim is that it has completely lost its primary signification and come to have a secondary meaning exclusively when used in connection with manufactured tobacco. The action being based entirely on the theory of secondary meaning, and the statute giving no right of action in cases of that character, it is evident that the action cannot be maintained.

In spite of the fact, however, that we might *here* reversed the judgment on the grounds already stated we prefer, in the
117 interests of the parties, the bar and the public generally, to decide the other questions presented, some of them being extremely important and of public interest and they having been fully argued on the appeal. (Lichauco vs. Limjuco, 19 Phil. Rep. 12.)

It is admitted all through this case, in fact it is alleged in plaintiff's complaint and is set out in all parts of its brief filed on this appeal, that plaintiff's trade name, as evidenced by the certificate issued under the Spanish Regime, consists solely of the words "La Flor de la Isabela." Plaintiff does not claim that the word "Isabela" has been registered by it as a trade name or that it has a title from any source conferring on it the exclusive right to use that word. The certificate offered in evidence by plaintiff to show its right to the exclusive use of the phrase "La Flor de la Isabela" grants two rights: One in a trademark consisting of a rectangular shield, surmounted by a crown and divided into four equal parts, in the right hand upper corner of which is a full rigged sailing ship at sea, in the left hand upper corner a growing tobacco plant, in the lower right hand corner a field of sugar cane with a pool of water in the foreground, and in

the lower left hand corner a factory in operation; the other, a right in the trade name "La Flor de la Isabela." As we have already seen, there is no claim here based on the infringement or violation of the trademark just described, nor is there contention or
118 claim of any kind that the use of the word "Isabela" is a violation or an infringement of the trade name "La Flor de la Isabela." The action is not for the violation of the trade name "La Flor de la Isabela," but for the violation of an entirely different trade name, namely, "Isabela." The exclusive right to use this name, plaintiff claims arises from two causes: First. The contraction of the phrase "La Flor de la Isabela" into the word "Isabela" by popular expression and use; and, second, the use for more than 20 years of the word "Isabela." In view of the fact that there is no claim of an infringement of the trade name "La Flor de la Isabela," these two claims are identical; for, there could have been no contraction brought about by popular expression except after long lapse of time. The contraction of the phrase into the word create no rights there being no registration unless it resulted from long use. Therefore, to establish a right in the word, the contraction must be shown to have existed for a length of time equivalent to that which would be necessary to give the word "Isabela" the dignity and legal status of a trade name. If, therefore, it results from the evidence in this action that the word "Isabela" has not been used by the plaintiff for a period of time sufficient to give it the special value necessary to bring it within the law relating to trade names, (if it be admitted for the
119 moment that that could be done) then the plaintiff must fail, whether it base its action on contraction, or use, or both.

There is another ground on which plaintiff would fail in his action. If it should appear in the case that the word "Isabela" was a word which, at the time of its adoption by plaintiff and at all times since, was the name of the geographical place of production or origin or was ordinarily and generally used as the name, quality or description of the merchandise to which it related, plaintiff would fail, as such name would not be capable of being registered as a trade name (section- 2 and 13) and could not, for that reason, be appropriated by plaintiff as such. That being so, no action for a violation thereof could be maintained, as none is granted by the statute in such case. (Sections 3, 5 and 7.)

Before entering on the discussion of the facts of the case, it may be well to set down certain things that appear to be uncontroverted:

1. There is a province in the Island of Luzon known as Isabela Province. In that province grows tobacco of a class and quality not grown in any other province or place in the Philippine Islands.

2. That tobacco is known commercially and to the trade as Isabela tobacco and the expression "Isabela tobacco" has in the Phil-
120 ippine Islands a meaning as definite, certain and clear as the expression "Havana tobacco" or "Virginia tobacco" in the United States.

3. The defendant has used on its cigarettes the words "Alhambra Isabelas" with a statement that the cigarettes inclosed in the package are composed exclusively of Isabela tobacco. Aside from "Isabela"

no other word or phrase or character is used on defendant's packages which it is claimed is in violation of plaintiff's rights.

4. There is absolutely no resemblance between the packages of cigarettes manufactured and sold by the plaintiff and those manufactured and sold by the defendant, except in the word "Isabelas."

5. The phrase "La Flor de la Isabela" means in English, giving it a free translation, "The best tobacco grown in Isabela Province," or "The finest tobacco grown in Isabela Province," or "The finest quality of tobacco grown in Isabela Province." The phrase, in its primary sense, conveys the idea that the products on which it is placed are composed of the best tobacco grown in the Province of Isabela.

6. Plaintiff's cigarettes marked with the design "La Flor de la Isabela," and referred to in this case, are not manufactured or composed, either wholly or in part, of tobacco grown in Isabela Province.

121 7. The cigarettes manufactured and sold by defendant as "Alhambra Isabelas" are composed exclusively of tobacco grown in Isabela Province.

8. The word "Isabela," when used in connection with tobacco, cigars or cigarettes, signifies in its primary sense that the tobacco itself, or that composing the cigars or cigarettes, is Isabela tobacco.

We are of the opinion that the plaintiff must fail in this action for the reason that, in the first place, it has not proved that the word "Isabela" has been used in the manner and form alleged in the complaint; and, in the second place, for the reason that it is the name of the geographical place of production or origin of the material composing the article to which it is affixed and that it is the name, quality and description thereof. The burden is on plaintiff to prove the use of the word "Isabela" for such a length of time and under such circumstances as to give it the right to its exclusive use. Reviewing the evidence of record, we are of the opinion that the overwhelming weight thereof is contrary to plaintiff's contention. It shows that in not a single instance in the history of the plaintiff corporation, so far as is disclosed by the record, has a package of its cigarettes gone into the market, either at wholesale or retail, with the word "Isabela" alone on the package as a separate or distinct word or name. In every instance, so far as the documentary

122 evidence goes, the packages have been marked by the phrase "La Flor de la Isabela." There is not an exhibit of any probative value on the issues involved which does not tend affirmatively to establish that the word was never used as a separated and distinct word and to negative any intention on the part of the plaintiff to use it as such. As far back as the time when the plaintiff obtained the right to use the trade name "La Flor de la Isabela" the exhibits filed in its application for registration of that trade name demonstrate, as they naturally must, that the trade name which plaintiff desired to secure was "La Flor de la Isabela" and not "Isabela". These exhibits are the wrappers which inclose plaintiff's cigarettes as they are found exposed for sale and have on them the words, designs and devices to the exclusive use of which plaintiff claims to be entitled. Every one of them contains the phrase "La

Flor de la Isabela" and not one of them the word "Isabela". In all of them the word "Flor" is almost equally conspicuous with the word "Isabela" and from them we can see no intent to emphasize the word "Isabela" more than the word "Flor." So far as the record shows, plaintiff nowhere advertised or advertises its cigarettes as "Isabela" cigarettes and we find nothing in the exhibit which shows that the plaintiff has or ever had the slightest intention to use the word "Isabela" as a trade name.

123 Much stress is laid by plaintiff on the fact that the wholesale packages of cigarettes, that is, the packages containing a number of the small retail packages, have printed on the two edges in large letters "Isabela Cortos," "Isabela Largos," and "Isabela Entrelargos," as the case may be. But it is to be noted that it appears from the exhibits themselves that plaintiff's trade name "La Flor de la Isabela," in conspicuous letters, is also attached to both ends of each of such packages; and each of the small packages inclosed in the larger carries the phrase "La Flor de la Isabela" and not the word "Isabela". It remains true, therefore, as we said at the outset, that not a single package of plaintiff's cigarettes has ever gone into the market in the Philippine Islands with the word "Isabela" alone thereon as a trade name.

Much importance is attached by plaintiff to a letter dated April 8, 1914, received from one of its employees in America. While this letter is of doubtful competency as evidence for plaintiff, it is in the record, and inasmuch as so much stress is laid on a portion of it, and it appears to be competent evidence as against plaintiff, we refer to it. The sentence in the letter to which reference is particularly made is this: "Furthermore, the trade here knows the cigars as 'Isabela' pure and simple." As is seen, this letter refers to cigars and not cigarettes; but, be that as it may, we believe that the plaintiff has quite overlooked the real nature of the latter as evidence. In its attempt to demonstrate that its tobacco products are known in America as "Isabela" products, it overlooked the first part

124 of the letter which, to us, is the most significant part of it. The writer says:

"Ehrman Bros. & Co. have asked us to have the paster 'La Flor de la Isabela,' which goes on the end of the boxes, as per sample we enclose herewith, changed as follows:—Make the strip about half as wide again as the enclosed sample, and istead of the words 'La Flor de la Isabela,' put on just the one word 'Isabela' in large letters. Ehrman Bros. say their customers claim that the lettering on this strip is too small for the customers to notice it readily behind the counter, whereas a large lettering of the word 'Isabela' will be much more attractive and more noticeable."

This portion of the latter demonstrate- conclusively that the plaintiff has never advertised its cigars in America as "Isabela" cigars. It has persisted always in advertising them as "La Flor de la Isabela;" and the precise objection made by the dealers handling plaintiff's cigars in the United States is that plaintiff insists on advertising its goods as "La Flor de la Isabela" instead of "Isabela;" and it is clear from the letter that if, as the writer says, its cigars are known

to the trade in America as "Isabela" cigars, it is not by reason of plaintiff's effort but in spite of them. Plaintiff itself has put forth no effort, as far as we can see from the record, to create a right in the word "Isabela." All of its money has been spent and all of its energy used in the advertisement of the phrase "La Flor de la Isabela."

A price list of the products of the plaintiff company has
125 been introduced in evidence, on the 10th and 11th pages of which appear the words "Isabela Cortos", "Isabela Largos" and "Isabela Entrelargos," together with the price. We do not regard this price list as indicating anything more than the fact that the limited space, the price list is printed in very small letters, forbade the use of the phrase "La Flor de la Isabela." But we note that, in extremely large letters, comparatively speaking, on the front page of the price list, are found the words "La Flor de la Isabela," while on each package of cigarettes which, in the price list, are called "Isabela Cortos," "Isabela Largos" and "Isabela Entrelargos," is found, in more than one place, the phrase "La Flor de la Isabela." Moreover, under the word "remarks" found at the close of the price list, are these words: "When the Spanish Government abolished the tobacco monopoly in the Philippine Islands this company acquired the exclusive right to use the marks 'Cavite,' 'Malabon,' 'Princesa,' and 'Meisic' which were formerly the property of the Government." Nothing is said about the word "Isabela." No rights are claimed by that advertisement in that name.

The documentary evidence introduced by plaintiff is fully corroborated by the evidence of defendant. The testimony of Mr. Olsen, one of the leading tobacco manufacturers of the Philippine Islands, is to the effect that the products of plaintiff's factory are generally known in the Philippine Islands as Tabacalera products, sometimes as "La Flor de la Isabela" products, but not as "Isabela" products. He states that the cigarettes which plaintiff calls "Isabela Cortos" and "Isabela Largos" are generally known to the trade as "Tabacalera Cortos" and "Tabacalera Largos." The clerk of the court of first instance in which the action was tried, being called as a witness for the defendant, testified that he smoked cigarettes of the Tabaca-
126 lera and Insular factories and that he had never heard of "Isabela" cigarettes before the defendant began the manufacture of its cigarettes; but that he had frequently heard of the factory "La Flor de la Isabela." Mr. Blanco, the interpreter of the court, testified that he had smoked cigarettes for 40 or 50 years and that he had not heard of "Isabela" cigarettes.

While some of the witnesses for the plaintiff testified that the public knew the products of plaintiff's factory as "Isabela" products, that testimony was in part contradicted by other witnesses for the plaintiff and is entirely at variance with its documentary evidence.

It appearing from the record in the case that the plaintiff has always insisted on the ownership of the trade name "La Flor de la Isabela" and has invariably sent it into the market with its products both in the Philippine Islands and in the United States, and that whatever effort and money plaintiff has expended in securing a trade name have been spent with respect to "La Flor de la Isabela" and not

"Isabela," we are driven to the conclusion that, as a matter of fact, the word "Isabela" has never been used by the plaintiff as a trade name in such a way as to give it any exclusive right therein. Moreover, the persistent use of the trade name "La Flor de la Isabela" denies the possibility of any single word in that phrase being a trade name. It being kept in mind that there is no contention on the part of the plaintiff that the use of the word "Isabela" by the defendant is an infringement of the trade name "La Flor de la Isabela" has given the plaintiff no right to the use of the word "Isabela." Furthermore, plaintiff denies that it has abandoned the trade name "La Flor de la Isabela," but maintains that its rights therein are
127 now in full force and effect. Admitting, even for the sake of argument, that there can exist a trade name without registration under the statute, it is well known that the plaintiff is not entitled to the exclusive right to use such a trade name unless it has used it for a sufficient length of time to give it a special value. But plaintiff's effort has been directed exclusively to the trade name "La Flor de la Isabela," and this fact necessarily negatives any claim that the word "Isabela" has, by plaintiff's effort, received any special value in connection with plaintiff's products.

We might say, in concluding this branch of the subject, that, even admitting that the word "Isabela" may have been appropriable by plaintiff as a trade name at the time it began to use it, the evidence showing that it had been exclusively appropriated by the plaintiff would have to be very strong to establish the fact of appropriation and the right of exclusive use. The law as it now stands and has stood since the Royal Decree of 1888 prohibits the use of a geographical name as a trade name. Act 666 prohibits the use not only of a geographical name but also of a word which is either the name, quality, or the description of the article to which the trade name refers. Even if appropriation were possible, it would require the clearest of proof to permit the appropriation of a word as a trade name the use of which in that connection the law expressly declines to sanction.

Furthermore, we are of the opinion, that even if plaintiff had proved a right to the exclusive use of the word "Isabela," we would be forced to conclude that its use by the defendant in connection with the word "Alhambra," which is made equally conspicuous with the word "Isabela," would be a sufficient effort on the part of defendant to distinguish its cigarettes from those of plaintiff; particu-
128 larly in view of the fact that the word "Isabela" is the name of a province and also the commercial name of the tobacco grown in that province.

We do not believe, however, that the word "Isabela" can be appropriated or could be appropriated at the time plaintiff claimed that it began to use that word as descriptive of its products. The Royal Decree of 1888 prohibited the use of a geographical name as a trade name or trademark and that decree was in force before the use of the word "Isabela" began, even under plaintiff's claim. At least it had not been used for a sufficient length of time to give it a property right therein, it never having been registered as a trade name either

under that decree or Act 666. From the date of that decree to the present time it has been unlawful to select the word "Isabela" as a trade name, and it would have been impossible during that time for the plaintiff to have obtained a right therein, no matter how much the word might have been used or to what extent it had been advertised. While Act No. 666, as we have seen, expressly permits the appropriation of a trademark, although it may be a geographical or descriptive name, it does not permit the appropriation of a trade name under the same circumstances. We accordingly repeat, from the Royal Decree of 1888 to the present time, the word "Isabela" has not been appropriable by anybody as a trade name.

For these reasons and for the further reason that we regard the case of Baxter vs. Zuazua, 5 Phil. Rep. 160, as decisive of the main questions involved in this case, we are of the opinion that the judgment must be reversed.

The judgment appealed from is reversed and the perpetual injunction issued thereon is dissolved. Without costs in this
129 instance. After the expiration of 20 days let judgment be entered in accordance herewith, and 10 days thereafter let the case be returned to the court whence it came for execution.

So ordered.

Arellano, C. J., and Torres, J., concur.

Carson, and Trent, JJ., concur in the result.

Johnson, J., dissents.

Judgment reversed.

Injunction dissolved.

130 That thereafter, to-wit: on the 22nd day of January, A. D. 1917, the plaintiff and appellant presented the following petition for appeal and assignment of errors, to-wit:

Title Court & Cause.

Petition for Appeal.

The plaintiff, Compañia General de Tabacos de Filipinas, conceiving itself aggrieved by the judgment made and entered on the 10th day of February, 1916, in the above entitled case, does hereby appeal from the said judgment to the Supreme Court of the United States, for the reasons specified in the assignment of errors which is filed herewith and prays that this appeal may be allowed and that a transcript of the record, proceedings and papers upon which said judgment was made, duly authenticated, may be sent to the Supreme Court of the United States.

The above entitled action is one in which is involved the treaty of the United States with the Kingdom of Spain, executed at Paris on the tenth day of December, 1898, wherein it is provided that the property rights of private establishments or associations having legal capacity to acquire and possess property, and especially the rights of property secured by copyrights and patents acquired by

Spaniards in the Philippine Islands at the time of the ratification of said treaty shall not be impaired but shall continue to be respected.

GILBERT, COHN & FISHER,
pp. CHARLES C. COHN,
Attorneys for Plaintiff and Appellant.

131 UNITED STATES OF AMERICA,
Philippine Islands:

In the Supreme Court of the Philippine Islands.

COMPAÑIA GENERAL DE TABACOS DE FILIPINAS, Plaintiff and Appellant,

vs.

ALHAMBRA CIGAR AND CIGARETTE MANUFACTURING COMPANY, Defendant and Appellee.

Assignment of Errors.

The plaintiff, Compañia General de Tabacos de Filipinas, praying an appeal from the final judgment of this Court in the above entitled cause, unto the Supreme Court of the United States, specifies and assigns for error:

I.

The Supreme Court of the Philippine Islands erred in reversing the judgment of the Court of First Instance of Manila and in dissolving the perpetual injunction issued thereon.

II.

The said Court erred in concluding that a judgment for a perpetual injunction in favor of plaintiff, based upon erroneous grounds, cannot be sustained upon other grounds alleged in plaintiff's complaint, unless the successful plaintiff has appealed from the judgment in its favor.

132 III.

The said Court erred in holding that a right of action for the violation of a trademark or trade-name or to restrain unfair competition does not exist independently of express statutory provision and that such right of action is limited to the express terms of statutory law.

IV.

The said Court erred in holding that an action for the violation of a trade-name cannot be carried on in conjunction with an action

for unfair competition, based on a similarity to the plaintiff's trade-name.

V.

The said Court erred in holding that the action for unfair competition is necessarily based upon the general appearance of the merchandise as exposed for sale.

VI.

The said Court erred in holding that no trade-name can legally exist, or be legally enforced save under and by virtue of the terms of Act 666 U. S. Philippine Commission.

VII.

The said Court erred in holding that the plaintiff's action based on unfair competition should be dismissed.

VIII.

The said Court erred in holding that the doctrine of secondary meaning, as applied in the law of trade-marks, has no application in the law of trade-names.

133

IX.

The said Court erred in holding that an action for unfair competition, based upon the similarity of plaintiff's and defendant's trade-names, will not lie.

X.

The said Court erred in declining and refusing to recognize and enforce the property rights of the plaintiff in the trade-name "La de la Isabela."

XI.

The said Court erred in declining and refusing to consider and determine the cause of action duly presented by the pleadings and the evidence based upon the claim that the use of the trade-name "Isabela" is an infringement of the trade-name "La Flor de la Isabela."

XII.

The said Court erred in holding that a trade-name cannot be acquired by appropriation and user, but only by registration or prescription.

XIII.

The said Court erred in holding that the adoption of Act 666 of the United States Philippine Commission, prohibiting the appropriation as trade-names of geographical names, operated as a forfeiture of the property rights of plaintiff in its trade-name, existent at the date of the Treaty of Paris, and guaranteed thereby.

134 XIV.

The said Court erred in finding that the trade-name "Isabela" was never used as a separate and distinct word to designate the products of plaintiff's factory.

XV.

The said Court erred in finding that the real names of the products of plaintiff designated as Isabela Cortos—Isabela Largos, and Isabela Largos is not an appropriation of said name, but is an accidental use due to limits of space.

XVI.

The said Court erred in holding that the use of the word "Isabela" as a trademark or trade-name is not an infringement of the trade-name "La Flor de la Isabela."

XVII.

The said Court erred in holding that the Royal Decree of 1888 of the Kingdom of Spain prohibits the use of a geographical name as a trade-name.

XVIII.

The Court erred in holding that the right to the exclusive use of the word "Isabela" is not infringed by the use of the words "Alhambra Isabelas."

XIX.

The Court erred in holding that a trademark or trade-name cannot be infringed without the use of all of the words and terms thereof in the infringing mark or name.

GILBERT, COHN & FISHER,
pp CHARLES C. COHN,
Attorneys for Plaintiff and Appellant.

135 That thereafter to-wit: on the 24th day of January, 1917, the said appeal was duly allowed by the indorsement upon the foregoing petition for appeal, as follows:

"Allowed January 24, 1917.

SHERMAN MORELAND,
Associate Justice of the Supreme Court of the Philippine Islands."

That thereafter, to-wit: on the 25th day of January, 1917, the following bond on appeal was duly filed by plaintiff and appellant, after the approval thereof by said Associate Justice of said Court.

(Title Court and Cause.)

Know all men by these presents: That we, Compañia General de Tabacos de Filipinas, as principal, and Teodorico Correa of Manila and Carlos Aparici of Manila as sureties, are held and firmly bound unto the Alhambra Cigar and Cigarette Manufacturing Company in the full and just sum of Five Hundred ($500.00) Dollars, United States Currency, to be paid to the said Alhambra Cigar and Cigarette Manufacturing Company, its attorneys, successors or assigns, to which payment well and truly to be made we bind ourselves, our heirs, executors and administrators, jointly and severally, by these presents.

Sealed with our seals and dated this 25th day of January, in the Year of Our Lord, one thousand nine hundred and seventeen.

Whereas, lately at the Supreme Court of the Philippine Islands in a suit pending in said Court between the Compañia General de Tabacos de Filipinas, as plaintiff, and the Alhambra Cigar and Cigarette Manufacturing Company, as defendant, a decree was rendered against the said Compañia General de Tabacos de Filipinas
136 and the said Compañia General de Tabacos de Filipinas having obtained an appeal and filed a copy thereof in the clerk's office of the said Court to reverse the decree in the aforesaid suit, and a citation directed to the said Alhambra Cigar and Cigarette Manufacturing Company, citing and admonishing the latter to be and appear at a session of the Supreme Court of the United States to be holden at the City of Washington not less than one hundred and twenty days from the date of said citation;

Now the condition of the above obligation is such that if the said Compañia General de Tabacos de Filipinas shall prosecute its said appeal to effect and answer all damages and costs if it fail to make said plea good, then the above obligation to be void; else to remain in full force and virtue.

In witness whereof the above named principal and sureties have hereunto set their hands and seals at Manila in the Philippine Islands on this 25th day of January, 1917.

COMPAÑIA GENERAL DE TABACOS
DE FILIPINAS,
El Administrador General,
pp. A. MALVEHY,
Principal.
F. CORREA,
Surety.
C. APARICI,
Surety.

Approved by
SHERMAN MORELAND,
Associate Justice of the Supreme Court of the Philippine Islands.

137 That thereafter, to-wit: on the 27 day of January, 1917, the following citation duly issued, was served upon the defendant and appellee herein in accordance with the written acknowledgment of said service endorsed in writing thereon:

(Title, Court and Cause.)

UNITED STATES OF AMERICA, *ss:*

The President of the United States to Alhambra Cigar and Cigarette Manufacturing Company: Greeting:

You are hereby cited and admonished to be and appear at the Supreme Court of the United States at the City of Washington, within one hundred and twenty days from the date of this writ, pursuant to an appeal duly allowed by the Supreme Court of the Philippine Islands and filed in the clerk's office of said court on the 22 day of January, A. D. 1917, in a cause wherein the Compañia General de Tabacos de Filipinas is appellant and you are appellee, to show cause, if any, why the decree rendered against the said appellant as in said appeal mentioned should not be corrected, and why speedy justice should not be done to the parties in that behalf.

Witness the Honorable Edward Douglass White, Chief Justice of the Supreme Court of the United States, this 22 day of January, A. D. 1917.

[S'g'd] SHERMAN MORELAND,
Associate Justice of the Supreme Court of the Philippine Islands.

Service of a copy of the within citation is hereby admitted this 27 day of January, 1917.

[S'g'd] ROHDE & WRIGHT,
Attorneys for the Alhambra Cigar and Cigarette Manufacturing Co.

138 SUPREME COURT OF THE PHILIPPINE ISLANDS,
Manila, Philippine Islands, ss:

I, V. Albert, Clerk of the Supreme Court of the Philippine Islands, do hereby certify that the foregoing 137 pages contain true, full and complete copies of all the pleading, order, evidence and decisions, including the opinion and order for judgment of this Supreme Court, in a certain cause wherein Compañia General de Tabacos de Filipinas was plaintiff, and Alhambra Cigar and Cigarette Manufacturing Company was defendant, saving and excepting those parts thereof which for the sake of clearness and brevity were omitted herefrom by agreement of counsel.

I do further certify that the original citation with acknowledgment of service are hereunto attached and herewith returned.

In testimony whereof I hereto subscribe my name and affix the seal of the Supreme Court of the Philippine Islands at Manila, P. I.,

this 14th day of February, A. D. one thousand nine hundred and seventeen.

V. ALBERT,
Clerk of the Supreme Court
of the Philippine Islands.

[Seal. Corte Suprema Islas Filipinas.]

Now comes the parties to the above entitled cause by their respective attorneys, and stipulate and agree that the foregoing transcript of the record of this cause is correct, and that it is complete,
139 saving such omissions as have been made by their consent.

Manila, P. I., February 14, 1917.

ROHDE & WRIGHT,
Attorneys for Alhambra Cigar and
Cigarette Manufacturing Company.
COHN AND FISHER,
pp. F. C. FISHER,
Attorneys for Compañia General
de Tabacos de Filipinas.

140 THE UNITED STATES OF AMERICA.

Supreme Court of the Philippine Islands.

March 4, 1916. File No. 10251.

COMPAÑIA GENERAL DE TABACOS DE FILIPINAS, Plaintiff and Appellee,

versus

ALHAMBRA CIGAR & CIGARETTE MANUFACTURING CO., Defendant and Appellant.

Judgment.

The Court having regularly acquired jurisdiction for the trial of the above-entitled cause submitted by both parties for decision, after consideration thereof by the Court upon the record, its decision and order for judgment having been filed on the 10th day of February, A. D. nineteen hundred and sixteen.

By virtue thereof it is hereby adjudged and decreed that the judgment of the Court of First Instance of Manila, dated the 24th day of August, nineteen hundred and fourteen, and from which the above-entitled appeal was taken, be, and the same is hereby reversed and

the perpetual injunction issued thereon is dissolved. Without costs in this instance.

[Seal. Corte Suprema, Islas Filipinas.]

[S'g'd] V. ALBERT,
Clerk of the Supreme Court
of the Philippine Islands.

Certified correct:

V. ALBERT,
Clerk of the Supreme Court
of the Philippine Islands.

141 UNITED STATES OF AMERICA.
Philippine Islands:

In the Supreme Court of the Philippine Islands.

COMPAÑIA GENERAL DE TABACOS DE FILIPINAS, Plaintiff and Appellant,

vs.

ALHAMBRA CIGAR AND CIGARETTE MANUFACTURING COMPANY, Defendant and Appellee.

Petition for Appeal.

The plaintiff Compañia General de Tabacos de Filipinas, conceiving itself aggrieved by the judgment made and entered on the 10th day of February, 1916, in the above entitled case, does hereby appeal from the said judgment to the Supreme Court of the United States, for the reasons specified in the assignment of errors which is filed herewith and prays that this appeal may be allowed and that a transcript of the record, proceedings and papers upon which said judgment was made, duly authenticated, may be sent to the Supreme Court of the United States.

The above entitled action is one in which is involved the treaty of the United States with the Kingdom of Spain, executed at Paris on the tenth day of December, 1898, wherein it is provided that the property rights of private establishments or associations having legal capacity to acquire and possess property, and especially the
142 rights of property secured by copyrights and patents acquired by Spaniards in the Philippine Islands at the time of the ratification of said treaty shall not be impaired but shall continue to be respected.

GILBERT, COHN & FISHER,
pp. CHARLES C. COHN,
Attorneys for Plaintiff and Appellant.

Allowed January 22, 1917.

SHERMAN MORELAND,
Associate Justice Supreme Court.

143 UNITED STATES OF AMERICA,
Philippine Islands:

In the Supreme Court of the Philippine Islands.

COMPAÑIA GENERAL DE TABACOS DE FILIPINAS, Plaintiff and Appellant,

vs.

ALHAMBRA CIGAR AND CIGARETTE MANUFACTURING COMPANY, Defendant and Appellee.

Assignment of Errors.

The plaintiff, Compañia General de Tabacos de Filipinas, praying an appeal from the final judgment of this Court in the above entitled cause, unto the Supreme Court of the United States, specifies and assigns for error:

I.

The Supreme Court of the Philippine Islands erred in reversing the judgment of the Court of First Instance of Manila and in dissolving the perpetual injunction issued thereon.

II.

The said Court erred in concluding that a judgment for a perpetual injunction in favor of plaintiff, based upon erroneous grounds, cannot be sustained upon other grounds alleged in plaintiff's complaint, unless the successful plaintiff has appealed from the judgment in its favor.

144 III.

The said Court erred in holding that a right of action for the violation of a trademark or trade-name or to restrain unfair competition does not exist independently of express statutory provision and that such right of action is limited to the express terms of statutory law.

IV.

The said Court erred in holding that an action for the violation of a trade-name cannot be carried on in conjunction with an action for unfair competition, based on a similarity to the plaintiff's trade-name.

V.

The said Court erred in holding that the action for unfair competition is necessarily based upon the general appearance of the merchandise as exposed for sale.

VI.

The said Court erred in holding that no trade-name can legally exist, or be legally enforced save under and by virtue of the terms of Act 666 U. S. Philippine Commission.

VII.

The said Court erred in holding that the plaintiff's action based on unfair competition should be dismissed.

VIII.

The said Court erred in holding that the doctrine of secondary meaning, as applied in the law of trade-marks, has no application in the law of trade-names.

145 IX.

The said Court erred in holding that an action for unfair competition, based upon the similarity of plaintiff's and defendant's trade-names, will not lie.

X.

The said Court erred in declining and refusing to recognize and enforce the property rights of the plaintiff in the trade-name "La Flor de la Isabela."

XI.

The said Court erred in declining and refusing to consider and determine the cause of action duly presented by the pleadings and the evidence based upon the claim that the use of the trade-name "Isabela" is an infringement of the trade-name "La Flor de la Isabela."

XII.

The said Court erred in holding that a trade-name cannot be acquired by appropriation and user, but only by registration or prescription.

XIII.

The said Court erred in holding that the adoption of Act 666 of the United States Philippine Commission, prohibiting the appro-

priation as trade-names of geographical names, operated as a forfeiture of the property rights of plaintiff in its trade-name, existent at the date of the Treaty of Paris, and guaranteed thereby.

146 XIV.

The said Court erred in finding that the trade-name "Isabela" was never used as a separate and distinct word to designate the products of plaintiff's factory.

XV.

The said Court erred in finding that the real names of the products of plaintiff designated as Isabela Cortos-Isabela Largos, and Isabela Largos is not an appropriation of said name, but is an accidental use due to limits of space.

XVI.

The said Court erred in holding that the use of the word "Isabela" as a trademark or trade-name is not an infringement of the trade-name "La Flor de la Isabela."

XVII.

The said Court erred in holding that the Royal Decree of 1888 of the Kingdom of Spain prohibits the use of a geographical name as a trade-name.

XVIII.

The Court erred in holding that the right to the exclusive use of the word "Isabela" is not infringed by the use of the words "Alhambra Isabelas."

XIX.

The Court erred in holding that a trademark or trade-name cannot be infringed without the use of all of the words and terms thereof in the infringing mark or name.

GILBERT, COHN & FISHER,
pp. CHARLES C. COHN,
Attorneys for Plaintiff and Appellant.

147 UNITED STATES OF AMERICA,
Philippine Islands:

In the Supreme Court of the Philippine Islands.

COMPAÑIA GENERAL DE TABACOS DE FILIPINAS, Plaintiff and Appellant,

vs.

ALHAMBRA CIGAR AND CIGARETTE MANUFACTURING COMPANY, Defendant and Appellee.

UNITED STATES OF AMERICA, *ss:*

The President of the United States to Alhambra Cigar and Cigarette Manufacturing Company: Greeting:

You are hereby cited and admonished to be and appear at the Supreme Court of the United States at the City of Washington, within one hundred and twenty days from the date of this writ, pursuant to an appeal duly allowed by the Supreme Court of the Philippine Islands and filed in the clerk's office of said court on the 22nd day of January, A. D. 1917, in a cause wherein the Compañia General de Tabacos de Filipinas is appellant and you are appellee, to show cause, if any, why the decree rendered against the said appellant as in said appeal mentioned should not be corrected, and why speedy justice should not be done to the parties in that behalf.

148 Witness the Honorable Edward Douglass White, Chief Justice of the Supreme Court of the United States, this 22nd day of January, A. D. 1917.

SHERMAN MORELAND,
Associate Justice of the Supreme Court of the Philippine Islands.

Service of a copy of the within citation is hereby admitted this 27 day of January, 1917.

ROHDE & WRIGHT,
Attorneys for the Alhambra Cigar and Cigarette Manufacturing Co.

149 UNITED STATES OF AMERICA,
Philippine Islands:

In the Supreme Court of the Philippine Islands.

No. 12,079. R. G. No. 10251.

COMPAÑIA GENERAL DE TABACOS DE FILIPINAS,

vs.

ALHAMBRA CIGAR & CIGARETTE MANUFACTURING CO..

Now come the parties to the above entitled cause by their undersigned attorneys and join in requesting this Honorable Court to direct that the originals of the exhibits here below mentioned be transmitted to the Supreme Court of the United States for consideration in connection with the record on the appeal taken by plaintiff against the judgment in favor of defendant rendered herein. This petition is based upon the ground that an inspection of the said exhibits is necessary to enable the Supreme Court of the United States properly to review the evidence, inasmuch as the same consist principally of pictorial representations of which no adequate idea can be given by a written description.

The said exhibits are as follows:
Plaintiff's Exhibit "A."
Defendant's Exhibit 3, pp. 1, 2 and 3.
Defendant's Exhibit 14.
Defendant's Exhibit 17.
Manila, P. I., February 9, 1917.

COHN & FISHER,
pp. F. C. FISHER,
Attorneys for Compañia General de Tabacos de Filipinas.
ROHDE & WRIGHT,
pp. WM. F. ROHDE,
Attorneys for Alhambra Cigar and Cigarette Mfg. Co.

150 UNITED STATES OF AMERICA,
Philippine Islands:

In the Supreme Court of the Philippine Islands.

R. G. No. 10251.

COMPAÑIA GENERAL DE TABACOS DE FILIPINAS, Plaintiff and Appellant,

versus

ALHAMBRA CIGAR & CIGARETTE MANUFACTURING COMPANY, Defendant and Appellee.

Order.

Upon consideration of the petition contained in the stipulation filed by the attorneys for the Compañia General de Tabacos de Filipinas and for the Alhambra Cigar & Cigarette Manufacturing Company, the Clerk of this Court is hereby ordered to transmit the plaintiff's exhibit A, and the defendant's exhibits 3 (pages 1, 2 and 3), 14 and 17 to the Supreme Court of the United States, together with the transcript of the above-entitled case.

Manila, P. I., March 2, 1917.

SHERMAN MORELAND,
Associate Justice of the Supreme Court of the Philippine Islands.

Copies forwarded: Messrs. Cohn & Fisher, Messrs. Rohde & Wright.

Endorsed on cover: File No. 25,930. Philippine Islands, Supreme Court. Term No. 1100. Compañia General de Tabacos de Filipinas, appellant, vs. Alhambra Cigar and Cigarette Manufacturing Company. Filed April 30th, 1917. File No. 25,930.

Office Supreme Court, U. S.
FILED
JUL 20 1917
JAMES D. MAHER,
CLERK.

In the Supreme Court of the United States.

OCTOBER TERM, 1916.

COMPAÑÍA GENERAL DE TABACOS DE FILIPINAS,
Appellant,

v.

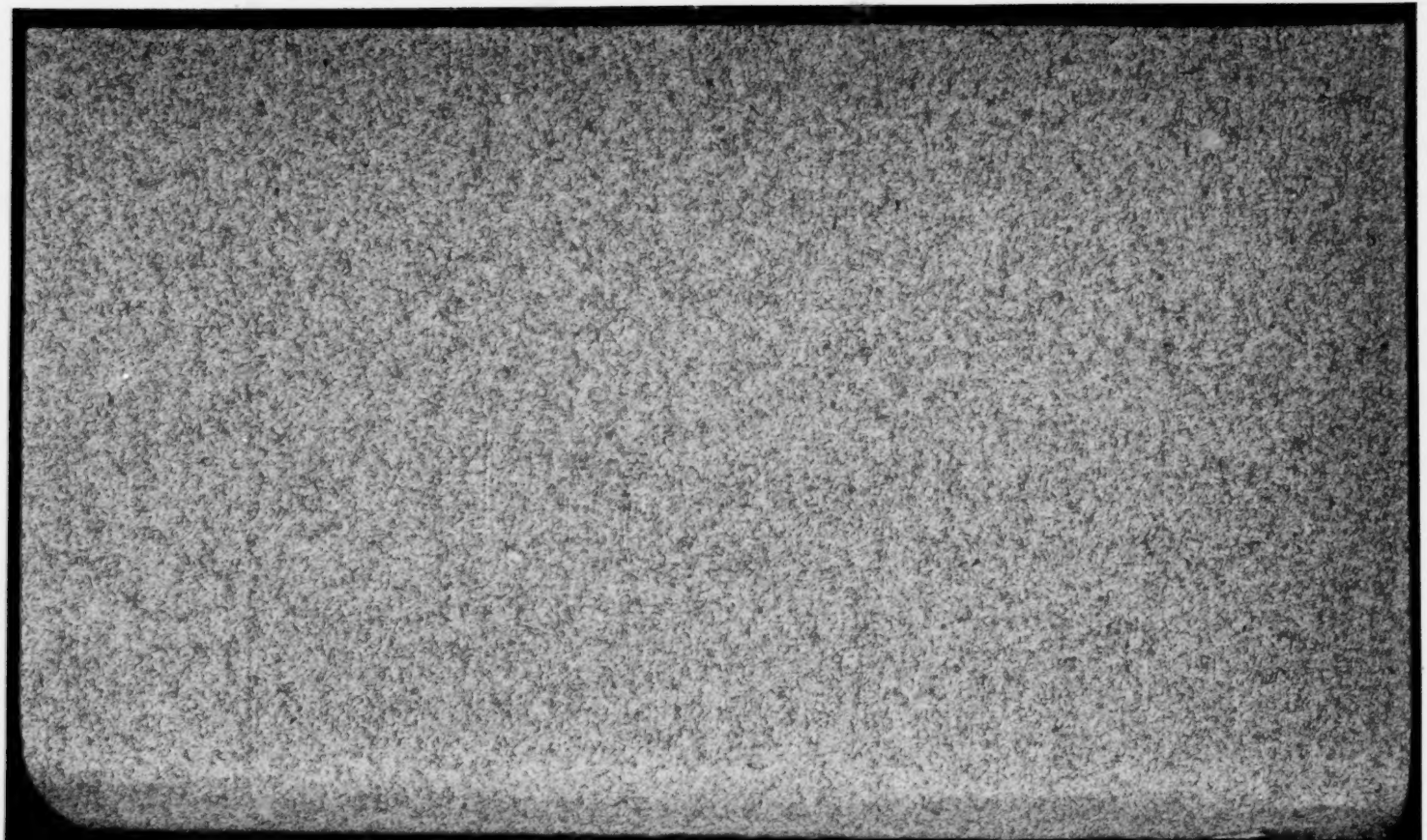
ALHAMBRA CIGAR & CIGARETTE MANUFACTURING COMPANY,
Appellee.

No. [redacted] 18

BRIEF FOR PLAINTIFF AND APPELLANT.

(25930)

PRESS OF GIBSON BROS., INC. WASHINGTON, D. C.



CONTENTS.

PAGE.

STATEMENT OF THE CASE 1

STATEMENT OF FACTS 1

ASSIGNMENT OF ERRORS 6

BRIEF OF ARGUMENT 9

POINT ONE.—The Court has jurisdiction to entertain the appeal and to pass upon all the issues of law and fact presented by the record 11

Authorities and Statutes.

Act 190, Phil. Comm 13
Act 666, Phil. Comm 16
Act of Congress of July 1st, 1902, Sec. 5 15
Cariño *v.* Insular Government, 7 Phil. Reps., 132 14
Cariño *v.* Insular Government, 212 U. S., 151 14
De la Rama *v.* De la Rama, 201 U. S., 303 15
Judicial Code, Sec. 248 12
Maclean *v.* Fleming, 96 U. S., 251 11
Manhatten, etc., Co., *v.* Wood, 108 U. S., 224 11
Muse *v.* Arlington, 168 U. S., 430 12
Revised Statutes (U. S.), Sec. 709 13
Sloane *v.* United States, 193 U. S., 614 12
Treaty of Paris 11, 14
Trade-mark Cases, 100 U. S., 92 11
Ubeda *v.* Zialcita, 226 U. S., 452 15
Vilas *v.* Manila, 220 U. S., 352 12

POINT TWO.—The right to the use of the phrase "La Flor de la Isabela" as a trade name for its Manila cigar and cigarette factory was expressly conferred upon plaintiff by the Spanish authorities in the Philippines in 1887 16

POINT THREE.—The words "Isabela" and "Isabelas" as an abbreviation of the phrase "La Flor de la Isabela" have long been in general use to designate plaintiff's cigar and cigarette factory 17

PAGE.

POINT FOUR.—The products of plaintiff's factory and particularly its cigarettes are and for many years have been generally known by the abbreviated designation of its factory, namely, the words "Isabela" and "Isabelas" 22

POINT FIVE.—The cigarettes manufactured by the leading factories in Manila, including plaintiff's factory, are always known by the factory name, and never by the name of the district in which the tobacco used in their manufacture is produced 30

POINT SIX.—Defendant is not using the word "Isabela" in its geographical sense to indicate the place of production of the tobacco used in the cigarettes, but is using the word "Isabelas" as a brand name and mark 33

POINT SEVEN.—The use of the word "Isabelas" on defendant's cigarettes as a brand name, and in its advertisements of its products, tends to mislead purchasers desiring to buy plaintiff's products, and does in fact so mislead them 38

POINT EIGHT.—The right to use the trade name "La Flor de la Isabela" was lawfully conferred upon plaintiff by the Spanish Governor General of the Philippines in 1887, and was a valid and subsisting property right at the time of the ratification of the Treaty of Paris 42

1. The Court below is wholly in error in its statement that the Royal Decree of 1888 was in force before the use of the word "Isabela" began as an abbreviation of the full text of Plaintiff's registered trade name 43

2. The Court below is wholly in error in its statement that the Royal Decree of 1888 prohibited the use of geographical names as trade-marks or trade names 45

PAGE.

(*a*) The Regulation of 1884 did not prohibit the use of geographical names. 45
(*b*) The Royal Decree of 1888 expressly confirmed titles to trade-marks granted under the Regulation of 1884..... 48
(*c*) The Royal Decree of 1888 did not prohibit the use of geographical names as trade-marks or trade names..... 48
(*d*) The Spanish Government itself used geographical names as trade-marks and trade names. 50

Authorities and Statutes.

Alcubilla, "Diccionario de la Administración Española". 49
Alcazar, "Historia de los Dominios Españoles"..... 50
Act 666 of the Philippine Commission..... 49
Jernegan, "Short History of the Philippines"..... 50
Marx *v.* Alvarez, Vol. 61, Decisions of the Supreme Court of Spain (Jurisprudencia Civil), p. 742..... 51
Marafy, "International Dictionary of Industrial Property," Vol. 3, p. 596..... 51
Ponce *v.* Roman Catholic Church (210 U. S., p. 296).... 50
Royal Decree of October 26, 1888.....43, 44, 48, 49
Reglamento of January 4, 1884.....45, 46, 47, 51
Trade-mark Cases, 100 U. S., 92..... 51

POINT NINE.—The property right created by the certificate of ownership of plaintiff's trade name was and is proptected by the Treaty of Paris..... 53

Authorities.

Marx *v.* Alvarez, Vol. 61, Jurisprudencia Civil, p. 742... 53
Treaty of Paris, Art. 8..... 53

POINT TEN.—The Trademark Act of the Philippine Commission (Act 666) expressly recognizes the validity of trade names acquired during the Spanish régime.. 54

Authorities.

PAGE.

Act 666, Phil. Comm., Sec. 14 54
Act 666, Phil. Comm., Sec. 5 54
Act 666, Phil. Comm., Sec. 3 54
Act 190, Phil. Comm., Sec. 162 55
Davids Co. *v.* Davids, 233 U. S., 461 57
Gsell *v.* Yap Jue, 6 Phil. Reps., 146 57
Washington Market Co. *v.* Hoffmann, 101 U. S., 115 .. 57

POINT ELEVEN.—The enactment by the Philippine Commission of its Trade-mark Law (Act 666) could not divest or in any manner modify plaintiff's vested right to the trade name granted to it by the Spanish Government 59

Authorities.

Act of Congress of July 2, 1899 60

POINT TWELVE.—The phrase "La Flor de la Isabela" is one lawfully susceptible of adoption as a valid trade name under the American law 61

Authorities.

American Waltham Watch Co. *v.* U. S. Watch Co., 173 Mass., 85 65
Baxter *v.* Zuazua, 5 Phil. Reps., 160 70
Columbia Mill Co. *v.* Alcon, 150 U. S., 460 61
Elgin National Watch Co. *v.* Illinois Watch Case Co., 179 U. S., 665 67
Hiram Walker & Sons *v.* Heckstaeder, 85 Fed., 776 62
La Republique Française *v.* Saratoga Vichy Springs Co., 191 U. S., 435 68
Metcalf *v.* Brand, 18 Ky., 331 63
Marx *v.* Alvarez, 61 Jurisprudencia Civil, 742 69
Sanders *v.* Utt, 16, Mo. App., 322 62
Sebastian, "Trade-marks," 73 62
Singer, etc., Co., *v.* June, etc., Co., 163 U. S., 167 67
W. R. Lynn Shoe Co. *v.* Auburn-Lynn Shoe Co., 100 Maine, 461 63

PAGE.

POINT THIRTEEN.—Trade names consisting of geographical words which have acquired a secondary meaning are to be accorded the same protection as such words when incorporated into a trade-mark 72

Authorities.

Act 666, Phil. Comm., Sec. 5 72
Act 666, Phil. Comm., Sec. 14 73
Act of Congress of July 2, 1902 72

POINT FOURTEEN.—The acquisition of an exclusive right to the use of a phrase as a trade name protects the owner in the enjoyment of the essential component parts of the phrase when used as an abbreviation thereof to identify the business to which the trade name relates 74

Authorities.

Alcubilla, Diccionario de la Administración Española, Appendix 1902, p. 238 79
Cohn *v.* Nagle, 2 L. R. A. (n. s.), 964 79
Marx *v.* Alvarez & Co., 61 Jurisprudencia Civil (Decisions Supreme Court of Spain), p. 742 74
Reglamento of January 4, 1884 74
Royal Decree of October 26, 1888 74
Royal Decree of November 20, 1850 74

POINT FIFTEEN.—The fact that defendant qualifies the word "Isabelas" as a brand name for its cigarettes by the use of its factory name "Alhambra" does not make such use unobjectionable 81

Authorities.

Cohn *v.* Nagle (Mass.), 2 L. R. A. (n. s.), 964 82
Coca-Cola Co. *v.* Nashville Syrup Co. 83
Davids Co. *v.* Davids, 233 U. S., 460 84
Fairbank Co. *v.* Luckle, 102 Fed., 331 81
Marx *v.* Alvarez, 61 Jurisprudencia Civil, 742 81
Menendez *v.* Holt, 128 U. S., 521 83
United States *v.* Coca-Cola Co., 241 U. S., 265 84

PAGE.

POINT SIXTEEN.—The same course of conduct may constitute an infringement of a technical trade-mark or trade name and also constitute unfair competition and the Court may grant such relief in either event as the facts may warrant 86

Authorities.

Corning *v.* Troy, etc., Factory, 15 How., 451 87
Hanover Milling Co. *v.* Metcalf, 240 U. S., 413 88
Lancaster *v.* Collins, 115 U. S., 222 87
Pierce *v.* Guitard, 68 Calif., 68 89

POINT SEVENTEEN.—The facts established by the evidence constitute unfair competition on the part of the defendant 90

Authorities.

Act 666, Phil. Comm., Sec. 7 90
Alhambra *v.* Mojica, 27 Phil. Reps., 268 90
Dyment *v.* Lewis, 26 L. R. A. (n. s.) (Iowa), 77 92
Elgin National Watch Co. *v.* Illinois Watch Case Co., 179 U. S., 674 92
North Cheshire, etc., Co. *v.* Manchester Brewery Co. (1899), A. C., 83 92

In the Supreme Court of the United States.

OCTOBER TERM, 1916.

COMPAÑÍA GENERAL DE TABACOS DE FILIPINAS, *Appellant,* v. ALHAMBRA CIGAR & CIGARETTE MANUFACTURING COMPANY, *Appellee.*	No. 1100

BRIEF FOR PLAINTIFF AND APPELLANT.

STATEMENT OF THE CASE.

This is an appeal by plaintiff, Compañía General de Tabacos de Filipinas, from a judgment of the Supreme Court of the Philippine Islands reversing a judgment of the Court of First Instance of Manila, by which defendant was perpetually enjoined from making use of a certain trade name.

STATEMENT OF FACTS.

Plaintiff is a corporation orgainized under the laws of the Kingdom of Spain, and duly authorized to engage in business in the Philippine Islands (Complaint, Rec., p. 1;

Answer, Rec., p. 7). For the past thirty-four years plaintiff has been engaged in the business of manufacturing cigars and cigarettes in the Philippine Islands (Testimony of Mulvahey, Rec., p. 20). Its factory, situated in the city of Manila, is officially designated by the name "La Flor de la Isabela" (Rec., p. 20) by which name, and the contracted form thereof, it has been known ever since 1886. This name is used on all advertising matter connected with plaintiff's cigar and cigarette manufacturing business (Rec., p. 21). On April 5, 1887, His Excellency Don Emilio Ferrero, at that time the Governor General of the Philippine Islands, issued to plaintiff, pursuant to the trade-mark and trade name laws then in force in the Islands, a "certificate of ownership" of certain trade-marks, trade names, and label designs therein described and enumerated (Exhibit A, Rec., p. 50), including the trade name "La Flor de la Isabela" as such and as an integral part of several of the label designs. This title has never been cancelled or annulled (Rec., p. 21). Facsimiles of these trade-marks and labels are attached to the original certificate of ownership (Exhibit A) which, pursuant to the order of the lower court (Rec., p. 88), has been sent up with the transcript. The original certificate of ownership is in Spanish, but a translation will be found in the printed record, on pages 50 to 53, inclusive. This trade name, as such and as an integral part of plaintiff's marks and labels, has been in constant, extensive and exclusive use by plaintiff, from the time of the issuance of the Spanish Certificate of Ownership to the present, saving the acts of defendant hereinafter mentioned (Rec., p. 20, 23).

In its original and primary meaning the word "Isabela" is part of the name of one of the provinces of the Island of Luzon, P. I., namely, the province of "Isabela de Luzon," formerly known as the province of "Nueva

Isabela," but by reason of the general, long-continued, extensive use of the phrase "La Flor de la Isabela" to designate plaintiff's factory and its products, the said phrase and various and sundry abbreviations thereof, including the words "Isabela" and "Isabelas," when applied to manufactured tobacco as a designating brand or name, have come to have and do have a secondary meaning, denoting that such manufactured tobacco is the product of plaintiff's factory, which secondary name has become widely hnown to dealers in and consumers of manufactured tobacco in the Philippine Islands and elsewhere (Findings, decision trial judge, Rec., p. 62).

The name "La Flor de la Isabela" is rarely used in full in popular parlance, being abbreviated to "Isabela" or "Isabelas" when applied to cigars and cigarettes from plaintiff's factory (Rec., pp. 8, 11, 13, 16, 18, 20, 22, 29, 32, 35, 36). Many factories have employed the word "Isabela" in its geographical significance, advertising that their wares are made of tobacco from the province of that name (Exhibits 7 to 15, inclusive). No one but plaintiff, and one or two infringers who were immediately stopped, has ever employed the name "Isabela" as a distinguishing brand or name for cigars or cigarettes (Rec., p. 22). For more than twenty-six years plaintiff has been manufacturing and selling cigarettes under the name of "Isabelas" in three sizes denominated "Cortos," "Largos," and "Entrelargos" (Rec., p. 22). These have been manufactured and sold at the rate of one million packages a year (Rec., p. 28). For the past ten years the products of plaintiff's factory have had an extensive market in the United States, where they are known exclusively as "Isabela Cigars" and "Isabela Cigarettes" (Rec., pp. 30–32). The word "Isabela" as a trade name is registered in the United States (Rec., p. 24).

On or about the first of June, 1914, the defendant herein, a corporation organized under the laws of the Philippine

Islands, and engaged in the manufacture and sale of cigars and cigarettes in Manila and elsewhere in the Islands, commenced to use the word "Isabelas" in its secondary meaning, as a distinguishing brand name for its cigarettes (Rec., p. 48). Defendant adopted this name with full knowledge that it was not open to exclusive appropriation by it (Rec., p. 48). Since the commencement by defendant of the use of the word "Isabelas" as a brand name there has been confusion on the part of the consuming public (Rec., p. 36) and customers who formerly called for "Isabela cigarettes," desiring cigarettes of plaintiff's manufacture, are now given defendant's cigarettes of that name (Rec., p. 36).

Upon becoming aware of this infringement of its rights, plaintiff promptly instituted this suit in the Court of First Instance of Manila for an injunction perpetually to restrain defendant from continuing to use the said name, and for an accounting of the profits made by defendant upon the sale of its products so designated. The case was tried before the Honorable James Ostrand, one of the judges of the Court of First Instance of Manila, on August 3rd, 1914, upon the evidence, oral and documentary, introduced by the parties (Rec., pp. 8 to 61, inclusive). On August 24, 1914, Judge Ostrand, upon the findings of fact and conclusions of law set forth in his decision (Rec., pp. 62 to 64, inclusive), rendered judgment for plaintiff perpetually enjoining defendant from

> employing or making use of the word "Isabelas" or any equivalent thereof or any other word or name confusingly similar thereto as a designating brand or name for cigarettes manufactured by said defendant.

Defendant was also required to account to plaintiff for all profits realized from the sale of its cigarettes manufactured under the name "Isabelas."

The findings of the trial court, upon which its conclusions of law were based (Rec., p. 62) are as follows:

> There is very little dispute as to the facts. It is fully established by the evidence that the plaintiff has for many years operated a tobacco factory known as "La Flor de la Isabela"; that this name has generally appeared on the packages and labels used by the plaintiff for the marketing of its manufactured tobacco products; that on the 5th day of April, 1887, the Spanish Government conferred upon the plaintiff the exclusive ownership of various trade-marks containing in conspicuous letters the phrase "La Flor de la Isabela"; that this phrase was adopted because the plaintiff in the manufacture of cigars and cigarettes originally used tobacco leaf from the Province of Isabela; that for some ten years or more last past the plaintiff has manufactured a brand of cigarettes called "Isabela," known generally to the trade as "Isabela Cortos," "Isabela Entrelargos" and "Isabela Largos" according to size; that sometimes these cigarettes are called "Isabelas" only; that the tobacco products of the plaintiff are generally known in the United States under the name "Isabela"; that about June 15th of this year the defendant began to manufacture and offer for sale a cigarette styled "Isabelas," the labels of the packages in addition to that name also containing the name "Alhambra" in large type; and that there is otherwise no misleading resemblance of the packages and labels to those of the plaintiff.

From this decision, defendant appealed to the Supreme Court of the Philippine Islands, which court by its decision of February 10th, 1916 (Rec., p. 64) reversed the lower court as to the facts and the law. Plaintiff thereafter filed its petition for an appeal, accompanied by the following—

ASSIGNMENT OF ERRORS.

I.

The Supreme Court of the Philippine Islands erred in reversing the judgment of the Court of First Instance of Manila and in dissolving the perpetual injunction issued thereon.

II.

The said Court erred in concluding that a judgment for a perpetual injunction in favor of plaintiff, based upon erroneous grounds, cannot be sustained upon other grounds alleged in plaintiff's complaint, unless the successful plaintiff has appealed from the judgment in its favor.

III.

The said Court erred in holding that a right of action for the violation of a trade-mark or trade name or to restrain unfair competition does not exist independently of express statutory provision and that such right of action is limited to the express terms of statutory law.

IV.

The said Court erred in holding that an action for the violation of a trade name cannot be carried on in conjunction with an action for unfair competition, based on a similarity to the plaintiff's trade name.

V.

The said Court erred in holding that the action for unfair competition is necessarily based upon the general appearance of the merchandise as exposed for sale.

VI.

The said Court erred in holding that no trade name can legally exist, or be legally enforced save under and by virtue of the terms of Act 666, U. S. Philippine Commission.

VII.

The said Court erred in holding that the plaintiff's action based on unfair competition should be dismissed.

VIII.

The said Court erred in holding that the doctrine of secondary meaning, as applied in the law of trade-marks, has no application in the law of trade names.

IX.

The said Court erred in holding that an action for unfair competition, based upon the similarity of plaintiff's and defendant's trade names, will not lie.

X.

The said Court erred in declining and refusing to recognize and enforce the property rights of the plaintiff in the trade name "La Flor de la Isabela."

XI.

The said Court erred in declining and refusing to consider and determine the cause of action duly presented by the pleadings and the evidence based upon the claim that the use of the trade name "Isabela" is an infringement of the trade name "La Flor de la Isabela."

XII.

The said Court erred in holding that a trade name cannot be acquired by appropriation and use, but only by registration or prescription.

XIII.

The said Court erred in holding that the adoption of Act 666 of the United States Philippine Commission, prohibiting the appropriation as trade names of geographical names, operated as a forfeiture of the property rights

of plaintiff in its trade name, existent at the date of the Treaty of Paris, and guaranteed thereby.

XIV.

The said Court erred in finding that the trade name "Isabela" was never used a as separate and distinct word to designate the products of plaintiff's factory.

XV.

The said Court erred in finding that the real names of the products of plaintiff designated as "Isabela Cortos," "Isabela Entrelargos," and "Isabela Largos" is not an appropriation of said name, but is an accidental use due to limits of space.

XVI.

The said Court erred in holding that the use of the word "Isabela" as a trade-mark or trade name is not an infringement of the trade name "La Flor de la Isabela."

XVII.

The said Court erred in holding that the Royal Decree of 1888 of the Kingdom of Spain prohibits the use of a geographical name as a trade name.

XVIII.

The Court erred in holding that the right to the exclusive use of the word "Isabela" is not infringed by the use of the words "Alhambra Isabelas."

XIX.

The Court erred in holding that a trade-mark or trade name cannot be infringed without the use of all of the words and terms thereof in the infringing mark or name.

BRIEF OF APPELLANT'S ARGUMENT.

1. This Court has jurisdiction to entertain the appeal and to decide all the issues of law and fact presented by the record.

2. The right to the use of the phrase "La Flor de la Isabela" as a trade name for its Manila cigar and cigarette factory was expressly granted to plaintiff by the Spanish authorities in the Philippines in 1887.

3. The words "Isabela" and "Isabelas" as an abbreviation of the phrase "La Flor de la Isabela" have long been in use to designate plaintiff's cigar and cigarette factory.

4. The products of plaintiff's factory, and particularly its cigarettes, are and for many years have been generally known by the abbreviated designation of its factory, namely the words "Isabela" and "Isabelas."

5. The cigarettes manufactured by the leading factories of Manila, including plaintiff's factory, are always known by the factory name, and never by the name of the district in which the tobacco used in their manufacture is produced.

6. Defendant is not using the word "Isabelas" solely in its geographical sense to indicate the place of production of the tobacco used in its cigarettes, but is using it as a brand name and trade-mark.

7. The use of the word "Isabelas" on defendant's cigarettes as a brand name, and in its advertisements of its products, tends to mislead purchasers desiring to buy plaintiff's products and does in fact mislead them.

8. The right to use the trade name "La Flor de la Isabela" was lawfully conferred upon plaintiff by the Spanish Governor General of the Philippines in 1887, and was a valid and subsisting property right at the time of the ratification of the Treaty of Paris.

9. The property right created by the Certificate of Ownership of plaintiff's trade name was and is protected by the Treaty of Paris.

10. The Trade-mark Act of the Philippine Commission (Act 666) expressly recognizes the validity of trade names acquired during the Spanish régime.

11. The enactment by the Philippine Commission of its Trade-mark Law (Act 666) could not divest or in any manner modify plaintiff's vested right to the trade name granted to it by the Spanish Government.

12. The phrase "La Flor de la Isabela" is one lawfully susceptible of adoption as a trade name under the American law.

13. Trade names consisting of geographical words which have acquired a secondary meaning are to be accorded the same protection as that to which such words are entitled when incorporated into a trade-mark.

14. The acquisition of an exclusive right to the use of a phrase as a trade name protects the owner in the enjoyment of the essential component parts of the phrase when used as an abbreviation thereof to identify the business to which the trade name relates.

15. The fact that defendant, in using the word "Isabelas" as a brand name for its cigarettes, qualifies it by the use of its factory name "Alhambra" does not make such use unobjectionable.

16. The same course of conduct may constitute an infringement of a technical trade-mark or trade name and also constitute unfair competition, and the court may grant such relief in either event as the facts may warrant.

17. The facts established by the evidence constitute unfair competition on the part of the defendant.

POINT ONE

THIS COURT HAS JURISDICTION TO ENTERTAIN THE APPEAL AND TO DECIDE ALL THE ISSUES OF LAW AND FACT PRESENTED BY THE RECORD.

The judgment of the lower court having been entered before the enactment of the "Act to Amend the Judicial Code * * * ," passed September 6, 1916, the right of appeal is governed by Sec. 248 of the Judicial Code.

The action is based upon the claim of plaintiff to the ownership of the trade name in question, based upon an express grant of the exclusive right to its use from the Spanish authorities. There can be no doubt that such a right is a *property* right.

> The right to adopt and use a symbol or device to distinguish the goods or property made or sold by the person whose mark it is * * * has long been recognized by the common law * * *. It is a property right for the violation of which damages may be recovered * * * in an action at law.
>
> Trade-mark Cases, 100 U. S., 92.

See also:

> Manhattan, etc., Co. *v.* Wood, 108 U. S., 224;
> Maclean *v.* Fleming, 96 U. S., 251.

The "certificate of ownership" of the trade name in question (Exhibit A) having been granted during the Spanish régime in the Philippines, and plaintiff, a Spanish corporation, having been in the use and enjoyment of the rights conferred by the grant at the time of the exchange of ratifications of the Treaty of Paris, the right to continue to do so falls within the terms of the eighth article of the Treaty, which is, in part, as follows:

> and it is declared that the relinquishment * * * shall not impair the property or rights which by law belong to the peaceful possession of property of all

> kinds * * * of private individuals, of whatsoever nationality such individuals may be.

Sec 248 of the Judicial Code confers jurisdiction upon this Court to

> revise, reverse, modify or affirm the final judgments and decrees of the Supreme Court of the Philippine Islands in all * * * cases * * * in which * * * any * * * treaty * * * of the United States is involved.

In some of the decisions of this Court (Muse *v.* Arlington Hotel, 168 U. S., 430; Sloane *v.* U. S., 193 U. S., 614) it has been held that when the jurisdiction of the Court depends upon the existence of a Federal question, the Constitution, statute or treaty, as the case may be, must have been expressly invoked in the court below. We respectfully submit that under Sec. 248 of the Judicial Code the rule is otherwise, and that this is settled by the established practice of this Court.

In the case of Vilas *v.* Manila, 220 U. S., 352, it was contended on behalf of the City of Manila, the appellee therein, that this Court was without jurisdiction to entertain the appeal because the Treaty of Paris had not been expressly invoked in the pleadings. Mr. Frederic R. Coudert, replying to this contention, said in his brief (p. 2):

> It is contended on behalf of the City of Manila that since the Treaty of Paris was not specially invoked by plaintiff's pleadings there is no jurisdictional question properly presented. It is sought to assimilate appeals from the Philippine Supreme Court in this respect to the review of State court judgments by writ of error. The classification is erroneous and misleading. To review a State judgment involving treaty rights it is required by statute that the alleged right under the treaty shall have been "specially set up or claimed" and the decision must have been adverse to such claim (U. S. Rev. Stat., par. 709).

> To review a judgment of the Philippine Supreme Court it is sufficient that any statute or treaty of the United States be "involved," and it is deemed to be "involved" where its construction or effect has been passed upon by the court below or has to be passed upon by this Court in reaching its conclusion.

To this contention it might be added that Sec. 709 of the Revised Statutes—now re-enacted as Sec. 237 of the Judicial Code—establishes a rule of pleading, under which the plaintiff or defendant, as the case may be, is expressly required to *plead* the statute or the treaty upon which it is proposed to rely. In the Philippine Islands the code system of pleading prevails (Act 190, Philippine Commission), under which the pleader is required to state merely the *facts* upon which he deems his cause of action or defense to rest. The Court is required upon such pleading to take notice of the law—whether it be statute, Constitution, or treaty—applicable thereto. Under such a system of pleading every provision of law in force which is properly applicable to the facts alleged and proved, and upon which a legal right arises which it is the duty of the Court to enforce, must be regarded as *involved*.

In disposing of the contention of lack of jurisdiction in the Vilas case, the Court held that, notwithstanding the lack of any distinct claim in plaintiff's petition of a right arising under the Treaty of Paris—

> that treaty was necessarily "involved" since neither the court below nor this Court can determine the continuity of the municipality nor the liability of the city as it now exists * * * without considering the effect of the change of sovereignty resulting from that treaty.
>
> Vilas *v.* Manila, 220 U. S., 353.

Likewise in this case it may be said that it cannot be disposed of without a determination of the question of

whether the trade name in dispute enjoys the protection of the Treaty. It is true that the lower court, in its opinion, makes no mention of the Treaty in terms, but its decision of necessity implies that it takes the view that no right under the Treaty has been disregarded by its action. In this connection it is to be remembered that appellant had obtained a judgment in the trial court, and that the attention of the Philippine Supreme Court was directed to the questions presented by the assignments of error urged by defendant. Plaintiff had no menas of compelling the Supreme Court of the Philippines to give an opinion on any particular point of law involved.

In the case of Cariño *v.* the Insular Government (212 U. S., 451) the writ of error was entertained and jurisdiction upheld, although neither the Treaty of Paris or any Statute of the United States was invoked in the petition for the registration of title to the land there in question. In the lower court the case was tried on the assumption on the part of petitioner that he had a good title to the land under Spanish law before the change of sovereignty. The lower court took the contrary view (7 Philippine Reports, 132). The right under the Treaty of Paris is invoked in petitioner's brief in this Court (p. 55) as follows:

> The plaintiff in error, Cariño, had under the Treaty of Paris a property right the existence of which has been recognized by Congress.

In disposing of the case the Court said:

> For more than fifty years before the Treaty of Paris * * * the plaintiff and his ancestors had held the land as owners (p. 456).

The point is not directly mentioned, but the assumption is warranted that as the Court took the view that the evidence demonstrated that plaintiff had title to the land under the Spanish law at the time of the change of sover-

eignty, the refusal of the Philippine Supreme Court to recognize that title in effect amounted to the denial of a right guaranteed under the Treaty, and that it was therefore "involved." This view is strengthened by the fact that the record contains no showing of the value of the land in dispute, so that the jurisdiction of this Court to reverse the decision of the court below must of necessity have rested upon the existence of a Federal question arising under the Treaty. The importance of the case as a precedent is greatly enhanced by the fact that the attention of the Court was directly drawn to the question of its jurisdiction, by the contention of the Government that the case should have come up by appeal instead of by writ of error. It was not suggested that no Federal question was involved.

The case of Ubeda *v.* Zialcita (226 U. S., 452) was tried in this Court on the merits and the decison below affimed. There were no affidavits of value, and the sole ground upon which the jurisdiction of the Court could have attached was the contention of appellant advanced in terms only after the decision of the Philippine Supreme Court was rendered, that the decision of that court was in effect a denial of a property right in a trade-mark granted during the Spanish régime, protected, it was contended, by the Treaty of Paris. The Court (p. 454) considered this contention but decided the point adversely to appellant's contention.

This case is also authority for the proposition that the remedy in an injunction suit is by appeal. The conclusions of the lower courts as to the facts not being concurrent the Court will review the evidence and establish its own conclusions regarding the facts.

De la Rama *v.* De la Rama, 201 U. S., 303.

The Act of Congress of July 1st, 1902 (the Philippine Bill) is also involved. Sec. 5 of that Act declares that no

law shall be enacted in the Philippines which shall deprive any person of property without due process of law. Act 666 of the Philippine Commission, if susceptible of the construction given it by the court below, deprives plaintiff of its property in a trade-name validly conferred under the Spanish law.

POINT TWO

THE RIGHT TO THE USE OF THE PHRASE "LA FLOR DE LA ISABELA" AS A TRADE NAME FOR ITS MANILA CIGAR AND CIGARETTE FACTORY WAS EXPRESSLY CONFERRED UPON PLAINTIFF BY THE SPANISH AUTHORITIES IN THE PHILIPPINES IN 1887.

That the grant of the privilege of using the phrase "La Flor de la Isabela" was in fact conferred upon plaintiff is not disputed. The grant is contained in the Certificate of Ownership (Ex. A, Rec., pp. 50 to 53) issued to plaintiff by Governor General Ferrero in 1887. The certificate recites that plaintiff is the

> "sole owner and possessor of the trade-names * * * 'La Flor de la Isabela'"

and others, and declares (Rec., p. 53) that the issuance of the certificate vests in the plaintiff all the benefits conferred by the law, and authorizes it to prosecute before the courts

> "all persons who may usurp or counterfeit the lawful rights hereby conferred."

POINT THREE

THE WORDS "ISABELA" AND "ISABELAS" AS AN ABBREVIATION OF THE PHRASE "LA FLOR DE LA ISABELA" HAVE LONG BEEN IN GENERAL USE TO DESIGNATE PLAINTIFF'S CIGAR AND CIGARETTE FACTORY.

As the most convenient method of demonstrating this proposition we shall transcribe verbatim the testimony bearing on this point:

TESTIMONY OF CARL HESS, (Rec., pp. 11, 12).

This witness was asked (Rec., p. 12) by whom the abbreviation "Isabela" was used in referring to plaintiff's factory, to which he replied:

> A. Generally, the cigar makers around here used to refer to the Tabacalera Factory as the Isabela Factory; I was running a little cigar factory at the time and I remember that the cigar makers used to speak about the Isabela Factory. That is years ago now that I am speaking of, that is ten years ago, about ten years ago now.

TESTIMONY OF PLAINTIFF'S WITNESS, E. E. ELSER (Rec., pp. 13–14).

> Q. Have you ever heard the factory La Flor de Isabela referred to by any other name?
> A. Except as Isabela and Tabacalera.
> Q. Have you heard the Tabacalera factory "La Flor de la Isabela" called Isabela?
> A. Yes, sir.
> Q. Frequently?
> A. I wouldn't say as to that; I should say yes, rather frequently.
> * * * * * * *

Both these witness had been engaged in the tobacco business in the Philippine Islands some years before the

date on which they gave their testimony but were not so engaged at that time (Rec., pp. 13–12).

TESTIMONY OF PLAINTIFF'S WITNESS, SAMUEL F. GACHES, (Rec., p. 16).

Q. Do you know the name of the factory conducted by the Compañía General de Tabacos de Filipinas?

A. I do.

Q. What is it?

A. La Flor de la Isabela.

Q. Is that name in general popular use in the Philippine Islands in speaking of that factory and its products?

A. Yes, it is more often abbreviated to La Isabela.

* * * * * * *

TESTIMONY OF PLAINTIFF'S WITNESS, T. D. FIGUERAS (Rec., p. 18).

Q. How many years have you lived in the Philippine Islands, Mr. Figueras?

A. Twenty-seven years now.

Q. Are you familiar with the names and brands of cigar and cigarette factories in the Philippine Isalnds and their products?

A. I know some of them.

Q. Do you know the names by which cigars and cigarettes and the factories which make them are recognized by the general public in the Philippine Islands?

A. Yes, sir.

Q. What is the name of the factory of the Compañía General de Tabacos de Filipinas?

A. La Flor de la Isabela.

Q. Is that name ever abbreviated?

A. Many times.

Q. What abbreviation is used?

A. La Isabela.

* * * * * * *

TESTIMONY OF PLAINTIFF'S WITNESS, ANTONIO MALVEHY (Rec., p. 20).

Mr. Malvehy, who is the secretary of the plaintiff corporation and has been connected with it for the past twenty-four years (Rec., p. 20) testified on this point as follows:

Q. Has the cigar and cigarette factory of the company a special name?

A. Yes, sir.

Q. What is it?

A. La Flor de la Isabela.

Q. How long has it had that name?

A. Since the establishment, over twenty-seven years ago.

Q. How is that name used by the company?

A. It is used in all that refers to the factory as well as its products, it is on the letter heads, invoices, packages, etc.

Q. Is the factory generally known by that name?

A. Yes, sir.

Q. Everywhere or only in places?

A. Everywhere where cigars and cigarettes are sold.

* * * * * * *

Q. The name of the factory—La Flor de la Isabela—is it always used in its complete form or it is sometimes abbreviated?

A. It is used sometimes in an abbreviated form and sometimes there is used only "La Isabela" referring to the factory "Isabela" or "Isabelas" when referring to the products of the factory.

Q. In public usage is the complete form, La Flor de la Isabela, or some form of abbreviation more generally used?

A. The two forms are frequent but here in the Philippine Islands as well as in America they are accustomed to use "Isabela," "Isabella," or "Isabelas."

Q. What is the usage in the United States of America with regard to your factory and its products?

A. In America there is frequently used "Isabela."

TESTIMONY OF DEFENDANT'S WITNESS, WALTER E. OLSEN (Rec., p. 30).

This witness was at the time of giving his testimony and had been for eleven years previously engaged in the tobacco business in the Philippine Islands (Rec., p. 30). He testified that the Flor de la Isabela factory of the plaintiff is one of the four or five largest concerns in the Islands; that the plaintiff's corporate name which is in full "La Compañía General de Tabacos de Filipinas" is generally contracted in common parlance to the word "Tabacalera." The witness was then asked how the output of the Company is generally referred to by the public, to which he replied (Rec., p. 30):

> Well, with the public here in the Islands it is usually referred to as Tabacalera; in the States it is quite different, it is usually referred to there as Isabela or La Flor de Isabela, but almost always as Isabela.

On cross-examination the witness testified upon this point as follows:

> Q. Now is the name La Flor de Isabela ever abbreviated; I mean in general usage in the Philippine Islands?
>
> A. Well, I—I can't say that I have ever heard, that I have ever used it abbreviated in any other way than Tabacalera.
>
> Q. Haven't you on various occassions in your examination used it in an abbreviated form, haven't you yourself referred to it as Flor de Isabela?
>
> A. La Flor de Isabela, yes.
>
> Q. Did you not just now use an abbreviation of the name of the factory?
>
> A. Well, that is the name of the facotry La Flor de Isabela.
>
> Q. And you believe that is the full name of the factory La Flor de Isabela?
>
> A. Yes, that is my understanding of it.

Q. Have you ever heard it called by any shorter name than that?

A. I have heard it called Isabela or La Isabela.

Q. By whom have you heard it so called?

A. I have heard, not the factory called that, but the cigarettes—we have had occassional calls for Isabela Cortos cigarettes of the Tabacalera.

POINT FOUR

THE PRODUCTS OF PLAINTIFF'S FACTORY AND PARTICULARLY ITS CIGARETTES ARE AND FOR MANY YEARS HAVE BEEN GENERALLY KNOWN BY THE ABBREVIATED DESIGNATION OF ITS FACTORY, NAMELY, THE WORDS "ISABELA" AND "ISABELAS."

The evidence on this point is not unduly voluminous and for convenience will be reproduced here.

TESTIMONY OF PLAINTIFF'S WITNESS SANCHO, (Rec., p. 8).

This witness, who has been in the Philippine Islands fifteen years and is the Manila buyer of a Provincial house dealing in cigars and cigarettes, testified that—

> if any one asks for Isabela cigarettes it is understood they are referring to the Tabacalera;

that the witness has often had occasion to order the short type of cigarettes manufactured by plaintiff:

> I have always said to send Cortos Cigarrillos "Isabela";

that the meaning of the word "Isabela" in this sense is a matter of the general knowledge of the public.

PLAINTIFF'S WITNESS HESS (Rec., p. 11).

This witness who had been in the Philippine Islands fourteen or fifteen years at the time he gave his testimony and had been in the tobacco business some years before, was asked if the phrase "La Flor de la Isabela" is ever abbreviated by the general public, to which he answered:

> They generally refer to Isabela cigars or cigarettes when they talk about cigars or cigarettes of the Tabacalera factory (Rec., p. 11);

that this reference came,

> from buyers of cigarettes;

that the time to which witness refers was when he was running a little cigar factory in Manila "about ten years ago now."

TESTIMONY OF PLAINTIFF'S WITNESS ELSER (Rec., p. 13).

This witness who had been in the Philippine Islands about twelve or thirteen years at the time of giving his testimony and had been interested in the tobacco business some eleven years before, but is not now connected with that trade, when testifying, said that—

> the word "Isabela" when used in connection with cigars and cigarettes is always associated with the Tabacalera factory.

PLAINTIFF'S WITNESS GACHES (Rec., pp. 15 to 18, inclusive.)

This witness had been in the Philippine Islands fourteen years at the time of giving his testimony, part of the time in the Internal Revenue Department of the Philippine Government and part of the time in business. He is familiar with the prominent makes and brands of cigars and cigarettes produced in the Philippine Islands. He testified that the name "Isabela" as applied to cigars and cigarettes indicates

> that they are cigars manufactured by the Tabacalera Company.

PLAINTIFF'S WITNESS FIGUERAS (Rec., pp. 18-20).

This witness, who at the time of giving his testimony had resided in the Philippine Islands for twenty-seven years, testified that—

> using the word "Isabela" in connection with cigars and cigarettes, I would understand, and the public understands, that they are made or manufactured by the La Flor de Isabela factory. * * * When I ask for an Isabela cigarette I do not care whether the

> tobacco used in the cigarette comes from Isabela, Cagyan or Barili. I simply ask for a cigarette manufactured by the Flor de Isabela Company. * * * That is my personal opinion, I believe it is the general opinion, also.

TESTIMONY OF PLAINTIFF'S WITNESS MALVEHY (Rec., pp. 20–27).

This witness, who is the Secretary of the plaintiff corporation, at the time of giving his testimony had been connected with plaintiff for twenty-four years. Regarding the abbreviated form of the name of plaintiff's cigar and cigarette factory the witness testified that—

> it is used sometimes in an abbreviated form and sometimes there is used only "La Isabela" referring to the factory, or "Isabelas" or "Isabela" in referring to the products of the factory.

The witness was asked (Rec., p. 22) whether plaintiff's factory manufactured any product under the brand name of Isabela or Isabelas, to which he replied:

> Yes, sir, we have the Cortos, known as Isabela Cortos, which appear in our tariff by that name, and furthermore, in all the orders we receive they are known by that name, Isabela.

Interrogated as to the length of time the plaintiff corporation had been making use of this abbreviated form of this trade name in connection with the manufacture and sale of cigarettes the witness replied that the Company had been selling Isabela Cortos, Isabela Largos and Isabela Entrelargos continually since it had been in business and that they have always been known by that name, which has been continually published in the plaintiff's price lists (Rec., p. 23). He identified plaintiff's Exhibit O, a wrapper or package used for "Isabela" cigarettes by plaintiff, and testified that this particular style of package had been in use five or six years, at least.

The witness on cross-examination was asked what the word "Cortos" means (Rec., p. 24), to which he replied:

> There are three sizes of this cigarette, "Cortos," "Entrelargos" and "Largos" (short, medium and long).

PLAINTIFF'S WITNESS URMANETA (Rec., p. 29).

This witness, who is the manager of plaintiff's La Flor de la Isabela factory, testified that the Isabela Cortos cigarettes are made by plaintiff at the rate of about a million a month; that they had always been known by that name since witness had been in the Islands, are catalogued under that name, ordered by plaintiff's customers by that name and have not, that he recalls, been ordered by any other name (Rec., p. 29).

DEFENDANT'S WITNESS OLSEN (Rec., pp. 30–34).

This witness, who for a period of several years next preceding the time at which he gave his testimony, had been engaged in the tobacco business at Manila, was asked:

> Do you know whether there are any cigarettes in the market here now known as Isabela?

To this he replied in the affirmative and on being asked by what factories these cigarettes are made, answered,

> There is the Isabela Alhambra and the Isabela Cortos and Isabela Largos of the Tabacalera Company.

The witness was then asked by counsel for defendant whether the Isabela Cortos and the Isabela Largos of the La Flor de Isabela factory—

> had any other marks by which they are known besides Isabela Cortos and Isabela Largos,

to which he replied:

> Well, they are *sometimes* (Italics are ours) called Tabacalera Cortos and Tabacalera Largos, that is the term by which they are usually called for in the trade, Tabacalera Cortos and Tabacalera Largos.

On cross-examination, Mr. Olson at first testified that he had never heard the name La Flor de la Isabela abbreviated in any other way than as Tabacalera (Rec., p. 31); but on being pressed admitted that he knows that the word Tabacalera is used as the abbreviation of the corporate name of the Company, "La Compañía General de Tabacos de Filipinas" and is applied equally to its other business, including steamships, as to its tobacco business and that he knows that the Tabacalera Company is the owner of the Flor de la Isabela factory. He further admitted in response to the interrogation of the cross-examiner that—

> we have occasional calls for Isabela Cortos cigarettes of the Tabacalera (Rec., p. 32).

He was then asked if that was not the name by which the cigarettes marketed in the package in evidence as plaintiff's Exhibit P are known, to which he replied:

> I would not say that they are always referred to as that—as Isabela Cortos—in fact, they are usually referred to as Tabacalera Cortos or Tabacalera Largos, that is the way they are more generally called for by the trade.

The witness then testified upon further cross-examination, that plaintiff's cigarettes are advertised and known in the United States as "Isabelas" (Rec., p. 32). The testimony of this witness—particularly as he was called by defendant—is very significant with regard to the use of the word "Isabela" by the public to designate plaintiff's cigarettes. When asked by counsel for defendant if there are "any cigarettes in the market" here now

known as "Isabela" the witness mentioned but two—that is, those made by the parties to this suit. No other cigarettes on the market whether made from Isabela tobacco or not, are so desiganted. Plaintiff's cigarettes have been so designated for years and years—those of defendant had only been on the market six weeks when Mr. Olsen was giving his testimony. Defendant's manager testified (Rec., p. 40) that he had commenced to manufacture and advertise Isabela cigarettes—

> about the middle of June.

Mr. Olsen's testimony and that of defendant's witness Prising (Rec., p. 36), shows that the Alhambra cigarettes are sold as "Isabelas."

TESTIMONY OF DEFENDANT'S WITNESS PRISING
(Rec., pp. 34 to 37).

This witness, who at the time of giving his testimony had been in the Philippine Islands about sixteen years, most of the time engaged in the tobacco business, was asked by counsel for defendant if he knew of—

> any cigarettes in the market here known as Isabela.

To this the witness replied in the affirmative, saying that the cigarettes in question were made by the Alhambra factory—the factory operated by the defendant. He was then asked:

> Did you ever know of any cigarettes on the market here known as Isabela before those put on the market by the Alhambra?

to which he replied:

> Not by Isabela itself, "Isabela Cortos" and "Isabela Largos," yes (Rec., p. 35).

As an important bit of circumstancial evidence showing the extent to which the abbreviated term "Isabela" is

used to designate plaintiff's factory and its output, attention is invited to the following, taken from the cross-examination of defendant's witness Prising:

Q. Do you know this Exhibit P?
A. Yes, sir.
Q. What is it?
A. Isabela Cortos.
Q. Of what factory?
A. The Tabacalera.
Q. Do you know if these Isabela Cortos are in demand in the local market?
A. Yes, sir.
Q. What do the consumers of the other size call these cigarettes?
A. Isabela Cortos, the name that is on them.

This witness had been in the tobacco business in the Philippine Isalnds for sixteen years. The minute he was asked the name of the sample of plaintiff's cigarettes (Exhibit P) shown to him he spontaneously and unhesitatingly gave the name which he had doubtless used hundreds of times before—"Isabela Cortos"—(short Isabelas).

It is curious—and instructive—to note that of all the witnesses called in this case by either side the only one in any manner connected with the tobacco trade who says that he has never heard of plaintiff's cigarettes under the name of Isabelas is defendant's manager, Mr. Hoffmaster, who has been in Manila engaged in the cigarette manufacturing business for eighteen years (Rec., p. 39). He says positively that he has never heard of or seen any cigarettes known as Isabela before the Alhambra began to manufacture them (Rec., p. 39).

DEFENDANT'S WITNESS MACMICKING (Rec., p. 46).

This witness was called to prove that although he smokes cigarettes he had never heard the plaintiff's cigarettes called by the name of Isabela (Rec., p. 36).

When his attention was drawn on cross-examination to the particular class of cigarettes manufactured by plaintiff under the name "Isabelas" he said that he had *never smoked them and did not know the name of that brand.*

DEFENDANT'S WITNESS BLANCO (Rec., p. 46).

The testimony of this witness is negative and to the same general effect as that of the witness McMicking. He said that he had never seen the particular cigarettes in dispute here before the trial.

We submit that the proof is conclusive upon this point. The affirmative testimony of all the witnesses called by us, corroborated by the testimony of defendant's witnesses Olsen and Prising, is not weakened by the merely negative testimony of the witnesses Blanco and MacMicking. They did not undertake to say that the cigarettes in question were not in fact known to the trade and to consumers generally as "Isabelas," but simply that they were not aware of that fact.

POINT FIVE

THE CIGARETTES MANUFACTURED BY THE LEADING FACTORIES IN MANILA, INCLUDING PLAINTIFF'S FACTORY, ARE ALWAYS KNOWN BY THE FACTORY NAME, AND NEVER BY THE NAME OF THE DISTRICT IN WHICH THE TOBACCO USED IN THEIR MANUFACTURE IS PRODUCED.

In the decision of the lower court (Rec., p. 71), it is stated in the eighth paragraph of the enumeration of certain statements, which the court says "appear to be uncontroverted," that—

> The word "Isabela" when used in connection with tobacco, cigars and cigarettes, signifies in its primary sense that the tobacco itself, or that composing the cigars or cigarettes is Isabela tobacco.

The statement that this proposition is "uncontroverted" is correct only in the sense that it was not made by defendant at any time during the trial. It appears for the first time in the decision of the lower court and this is the first opportunity we have had to controvert it, which we do most earnestly. It is not only without any evidence to support it but is wholly at variance with the evidence produced through the testimony of defendant's own witness, Mr. Olsen. This witness, who was at the time of giving his testimony and for many years before had been engaged in the tobacco business in Manila, was (Rec., p. 32) asked on cross-examination, whether Philippine cigars and cigarettes "are distinguished and designated according to the factory by which they are manufactured or according to the tobacco which is in them." To this question the witness replied: "According to the factory."

In answer to further questions the witness stated that Philippine cigarettes are designated according to the fac-

tory by which they are made "exclusively." He then went on to say that each of the factories makes use of the various tobaccos grown in the Islands, and was then asked (Rec., p. 33):

> So, if a man called for a Cagayan perfecto you would have no means of knowing just what he wanted, whether he wanted an Insular, Alhambra, Tabacalera or what?

to which he replied:

> You couldn't conscientiously give him one.

The witness then testified that although the factories using Isabela tobacco in their products generally state that fact in their announcements to the public, there is no tendency on the part of the public or of the trade to designate the products of such factories by using the word "Isabela"; that if a man desires cigarettes made by the La Yebana factory it never occurs to him to ask for Isabela cigars, although the La Yebana Company quite extensively advertises the fact that its products are manufactured exclusively from the best Isabela tobacco. The witness was then asked by the cross-examiner:

> And if he called for an Isabela cigar what would you think he wanted?

to which the witness replied:

> Well, to the trade we would give him a Tabacalera cigar if he called for an Isabela, and in people coming from the United States—in the United States the cigars of the Tabacalera are advertised and sold under the name of Isabela and La Isabela, and people coming from the States, we have calls for Isabela cigars and cigarettes (Rec., p. 34).

Of course, it is obvious that the witness meant to say that such calls for plaintiff's cigars under the name of Isabela were received by his firm in Manila.

On this same point our witness Mr. T. D. Figueras (Rec., p. 18) testified to the same effect as defendant's witness Mr. Olsen. He was asked (Rec., p. 18):

> Does the word "Isabela" applied to cigars and cigarettes have any special signification in the Philippine Islands indicating the origin of the cigars and cigarettes to which it is applied?

to which he replied:

> No sir, I would think that they came from La Flor de Isabela.

On being asked:

> In the Philippine Islands, Mr. Figueras, speaking now of public usage and custom, is it customary to distinguish between cigars and cigarettes according to the tobacco which is in them or according to the factory where they are made?

The witness answered:

> Of the different factories, when I ask for an Isabela cigarette I do not care whether the tobacco used in that cigarette comes from Isabela, Cagayan, or Barili, I simply ask for a cigarette manufactured by the La Flor de Isabela Company (Rec., p. 18).

A perusal of the transcript will show that this testimony —that of Mr. Olsen and that of Mr. Figueras—is the only evidence in the record bearing upon this question.

The conclusion is, we submit, inevitable that the Court is wholly in error in its statement (Rec., p. 71) that—

> the word "Isabela" when used in connection with * * * cigarettes signifies * * * that the tobacco * * * composing the * * * cigarettes is "Isabela tobacco."

POINT SIX

DEFENDANT IS NOT USING THE WORD "ISABELA" SOLELY IN ITS GEOGRAPHICAL SENSE TO INDICATE THE PLACE OF PRODUCTION OF THE TOBACCO USED IN ITS CIGARETTES, BUT IS USING THE WORD "ISABELAS" AS A BRAND NAME AND TRADE-MARK.

Plaintiff does not contend and has never contended that the use of the word "Isabela" in its geographical sense to designate the source of the tobacco used in the cigars or cigarettes of competing manufacturers is an infringement of its rights (Rec., p. 37). The record shows that such use of the word has been made for years by other concerns, including this defendant, without objection or opposition by plaintiff. This is established by defendant's documentary evidence. This subject is covered by defendant's Exhibits (Rec., pp. 58 to 60, inclusive) 7 to 14 inclusive, which are described in the transcript as follows:

EXHIBIT 7.

Defendant's Exhibit 7 is an advertising card used by defendant to advertise the output of its cigar and cigarette factory, which contains the following statement:

> This factory uses none but the finest selected "Isabela" leaf in all "their high-grade cigars."

EXHIBIT 8.

Defendant's Exhibit 8 is a label used as a flap cover for cigar boxes, on which is printed in Spanish:

> Carefully made from the best Isabela leaf.

EXHIBIT 9.

Defendant's Exhibit 9 is a label used on the boxes containing defendant's "Imperial" brand of cigarettes, which bears the words:

> Choicest cigarettes made exclusively from the very best assorted leaves of the best districts of Ysabela Province.

EXHIBIT 10.

Defendant's Exhibit 10 is a catalogue issued in July, 1906, by Walter E. Olson & Company, Manila cigar dealers, which contains advertisements of their "Jose Rizal" cigars, which are described as being made—

> from the most carefully selected leaf grown in the rich fields of Isabela Province.

It also contains an advertisement of the "Primera Hebra" cigarettes manufactured by the Yebana Cigar and Cigarette Factory in the city of Manila, which are described as being made of—

> a superior blend of the finest selected matured Isabela tobacco grown on the company's own plantations in Isabela Province.

It also contains an advertisement of the defendant's "Alhambra Imperial" cigarettes, which are described as follows:

> Made by hand from the choicest Isabela leaf from which all stems and veins have been carefully removed leaving only the heart of the leaf.

EXHIBIT 11.

Defendant's Exhibit 11 is an illustrated advertising pamphlet issued by defendant in 1912, which contains a statement that the cigars and cigarettes made by defendant in the Alhambra factory are made of tobacco selected by buyers sent by defendant to visit—

> various plantations in the Cagayan Valley of northern Luzon, where the choicest Isabela tobacco is grown.

EXHIBIT 12.

Defendant's Exhibit 12 is a price list of cigars and cigarettes issued by "La Insular" factory in Manila, which contains a statement that the factory has—

> large stocks of leaf tobacco from Isabela and Cagayan, which is the "best guarantee of the quality of its products."

EXHIBIT 13.

Defendant's Exhibit 13 is an advertising card on which it is stated that the cigars made by the defendant are—

> of the very highest grade of picked Isabela tobacco.

EXHIBIT 14.

Defendant's Exhibit 14 is a price list issued in July, 1913, by Walter E. Olson & Company, Manila cigar dealers, which contains an advertisement of the cigars made by the Insular factory in Manila, which are described as being made from—

> the choicest quality of Isabela tobacco.

It also contains an advertisement of the cigars made in defendant's Alhambra Cigar and Cigarette Factory, which are described as—

> made from Isabela leaf, filler and wrapper.

It also contains six pages of illustrated advertisements of the cigars made by plaintiff corporation in its Manila factory, on each page of which the words "La Flor de la Isabela" are used to designate plaintiff's products, the same words appearing on the photographic reproductions of the rings used on plaintiff's cigars and on the boxes containing them.

The Court will note that the correctness of the foregoing synopsis of these exhibits has been the subject of an express stipulation (Rec., p. 61).

Particular attention is invited to the fact that in each of the instances afforded by these exhibits the word "Isabela" when used geographically is used in the singular, whereas when used to designate plaintiff's wares in general it is more frequently used in the plural.

> Previous to putting the Alhambra Isabela on the market—if a man came up and called for Isabelas you wouldn't know what he wanted without questioning him whether he wanted "Isabela Cortos" or "Isabela Largos."
>
> * * * * * * * *
>
> If a man comes up now and asks for Isabelas we give him Alhambra "Isabelas."
>
> * * * * * * * *
>
> * * * If a man came up in the old times and asked for Isabelas we would ask whether he wanted Isabela Cortos or Largos, but if a man comes up now and asks for Isabelas he is always given Isabelas Alhambra * * *
>
> Testimony of defendant's witness Prising (Rec., p. 36).

Defendant's manager, Mr. Hoffmaster, in his testimony (Rec., p. 44) lays great stress on his statement that the only object of his company in making use of the designation in dispute is to call attention to the fact that the cigarettes in question are made from Isabela grown tobacco. He says:

> We are using this name because it is not our intention to use it principally, but merely for the purpose to call the attention of the people to the fact that these cigarettes were made from Isabela tobacco, from tobacco grown in Isabela province.

We submit that if that were the only purpose in mind defendant would have endeavored to accomplish it in the same manner as previously (Exhibits 7 and 9, Rec., p. 58) by the direct statement as to the source of the

tobacco. Had such been the purpose in mind, defendant would not have endeavored to incorporate into its registered trade-mark (Exhibit 17, Rec., p. 60) the word "Isabelas" as a *brand* name for cigarettes, in addition to the statement that they are "made only from selected Isabela leaf," nor would the phrase "Alhambra Isabelas" be placed on each of the cigarettes, as Mr. Hoffmaster states the practice to be (Rec., p. 42).

Furthermore, Mr. Hoffmaster's testimony to the effect that defendant merely desires to call attention to the fact that its cigarettes are made from tobacco grown in Isabela Province is contradicted by the statement of Mr. Meyer, the President, of the defendant corporation (Rec. p., 48). He testified that he had never considered "Isabela" to be a trade name. He was then asked if he was not using that word as a trade name for a particular cigarette, to which he replied (Rec., p. 48):

> A. We use Isabela in conjunction with Alhambra, *we have the name Alhambra Isabelas.*
> Q. As the name of a cigarette?
> A. Yes.

The Court is respectfully requested to inspect the defendant's original exhibit number 3, sent up with the transcript. It will be apparent that cigarettes packed and advertised as the exhibit shows defendant's cigarettes to be, are bound to become known as "Isabelas" and may readily be foisted upon consumers calling for "Isabelas" in the expectation of being given plaintiff's wares.

POINT SEVEN

THE USE OF THE WORD "ISABELAS" ON DEFENDANT'S CIGARETTES AS A BRAND NAME AND IN ITS ADVERTISEMENTS OF ITS PRODUCTS, TENDS TO MISLEAD PURCHASERS DESIRING TO BUY PLAINTIFF'S PRODUCTS, AND DOES IN FACT SO MISLEAD THEM.

The evidence, as we have demonstrated (*ante*, pp. 17 and 22), as established by the testimony of defendant's witnesses as well as our own, shows conclusively and overwhelmingly that the words "Isabela" and "Isabelas" are commonly used and have been used for nearly thirty years past to designate plaintiff's factory and the cigarettes manufactured therein. This being so, it follows, of course, that the same word used as a *name* for cigarettes of another make, and not plainly in the primary sense of indicating the source of the tobacco used in making them, must tend to mislead purchasers.

Testimony of plaintiff's witness, Pérez (Rec., p. 28).

Furthermore, the evidence of defendant's own witnesses shows that purchasers are in fact being so misled, to plaintiff's detriment and to the profit of defendant. Upon this point the testimony of our opponent's witness Prising is perfectly clear. This witness, who testifies he has been selling Philippine cigarettes of the various brands for years, wholesale and retail (Rec., p. 35), says that plaintiff's cigarettes are in demand in the local market under the names of Isabela Cortos, Isabela Entrelargos, and Isabela Largos, according to the size desired, short, medium or long. He was then asked, on re-direct examination, by defendant's attorney:

> Then these people who call for cigarettes as Isabela Largos, Isabela Cortos or Isabela Entrelargos would have to give one of these additions or adjectives in

order to inform the seller what kind of a cigarette he wanted, would he not?

The witness answered in the affirmative, and was then asked (Rec., p. 36):

They could never be called for as Isabelas?

to which he replied:

Well, *previously to putting the Alhambra Isabela* on the market if a man came up and called for Isabelas you wouldn't know what he wanted without questioning him whether he wanted Isabela Cortos or Isabela Largos.

At this point the re-direct examination abruptly ended, but further information was sought by cross-examination, as follows (Rec., p. 36):

Q. How is that affected by the fact that the Alhambra Isabelas have been put on the market?

A. I do not find there has been any effect. *If a man comes up now and asks for Isabelas we give him Alhambra Isabelas.*

* * * * * * *

Q. Even if some man who formerly called for Isabelas desiring Isabelas of the Tabacalera Company and who you say you were obliged to question as to whether he wanted Cortos or Largos, you give him Alhambra Isabelas?

A. Well, I don't remember having had any experience of that kind. If a man came up in the old times and asked for Isabelas we would ask him if he wanted Isabela Cortos or Largos, but if a man comes up now and asks for Isabelas he is always given Isabelas Alhambra, and I don't know of any case where they said that wasn't what they wanted.

The "old times" to which the witness refers as though pertaining to some forgotten age could not have been more remote than six weeks—for the trial took place early in August, 1914, and it was only in mid-June of

that year that defendant commenced to market its "Isabela" cigarettes.

Nothing could more eloquently portray the condition of affairs of which we complain than the rather naïve testimony of defendant's witness Prising. He states quite clearly—and all the more convincingly because the statement elicited was evidently not expected or desired by defendant's counsel—that he, an experienced dealer in cigarettes, when getting a call for "Isabela" cigarettes in the distant but well-remembered past of a couple of months before, knew that the buyer of necessity desired one of the three sizes of the "Isabela" cigarettes of plaintiff's manufacture, and no other, and this notwithstanding the fact that Olson & Co. (Exhibits 10 and 14), La Yebana Company (Exhibit 10), the Alhambra, etc., Company, defendant herein (Exhibits 11 and 13), and La Insular (Exhibit 12) had for years been advertising their cigarettes as made from the "choicest Isabela leaf," using the word Isabela properly and lawfully to indicate the source of the material used in their products, but not as a brand name. No honest advertising, no matter how extensive, regarding the place in which the tobacco was grown, had led or could have led to any confusion, but as soon as defendant commenced to infringe plaintiff's rights by using the word "Isabelas" as a *name* for cigarettes, confusion resulted—as it was, no doubt, expected—and most earnestly desired—would be the case. Now when a man asks Mr. Prising for an "Isabela" cigarette he is given the "Alhambra Isabela." The honest dealer is careful to refrain from inquiring whether the buyer really desires an Alhambra product, or expected to get and supposes he is getting, the same cigarette he has been buying for years before under that name.

This clearly exemplifies the truth of the statement that the principal difference between a trade-mark and a trade

name is that the former appeals to the eye while the latter appeals to the ear. The Court will take judicial cognizence of the fact, demonstrated by the official census of the Philippines, that illiteracy is exceedingly prevalent there. The ignorant consumer who calls for an Isabela cigarette, meaning and expecting to get the same brand which he has been buying, perhaps for years, under that name, may be utterly unable to read the statement on the package that the cigarette he is getting is made by a different concern. The dealer tells him a half truth by saying: "This is an 'Isabela' cigarette." Of course, he does not take the trouble to say: "This is not the 'Isabela cigarette' you have been in the habit of buying, but another, made by a different concern." He trusts that the buyer may not notice the difference—just as Mr. Prising does. The plaintiff loses a sale, and defendant makes one. The purpose of the adoption of that particular name is accomplished—and we are told by the lower court that the law is powerless to grant relief!

POINT EIGHT

THE RIGHT TO USE THE TRADE NAME "LA FLOR DE LA ISABELA" WAS LAWFULLY CONFERRED UPON PLAINTIFF BY THE SPANISH GOVERNOR GENERAL OF THE PHILIPPINES IN 1887, AND WAS A VALID AND SUBSISTING PROPERTY RIGHT AT THE TIME OF THE RATIFICATION OF THE TREATY OF PARIS.

The validity of the grant to plaintiffs of the right to the exclusive use of the phrase "La Flor de la Isabela" as a trade name, for its cigarette manufacturing business, contained in the "Certificate of Ownership" (Exhibit A, Rec., p. 50) issued by the Spanish Governor General of the Philippines in 1887, was assailed in the court below upon the theory that as the word "Isabela," which is one of the component parts of the phrase, is in one of its senses a geographical name, the Governor General's grant was *ultra vires* and void.

This contention was upheld by the Philippine Supreme Court in the decision from which we have appealed. On this point that Court (Rec., p. 70) says:

> There is another ground on which plaintiff would fail in his action. If it should appear in the case that the word "Isabela" was a word which at the time of its adoption by plaintiff, and at all times since, was the name of the geographical place of production or origin or was ordinarily or generally used as the name, quality or description of the merchandise to which it is related, plaintiff would fail, as such name would not be capable of being registered as a trade name (Sections 2 and 13), and could not, for that reason, be appropriated by plaintiff as such. That being so no action for a violation thereof could be maintained, as none is granted by the statute in such case (Sections 3, 5 and 7).

The fundamental error in this line of reasoning, as we shall have occasion to demonstrate (*post.*, p. 55) is the

assumption that plaintiff's right to the use of the name in question is to be measured and determined by the rules established in 1903, by Act 666 of the Philippine Commission, with respect to the conditions upon which rights in trade-marks and trade names *thereafter adopted* might be acquired.

The court then goes on to say (Rec., p. 74):

> The law as it now stands and has stood since the Royal Decree of 1888 prohibits the use of a geographical name as a trade name. * * * We do not believe that the word "Isabela" can be appropriated or could be appropriated at the time that plaintiff claimed that it began to use that word as descriptive of its products. The Royal Decree of 1888 prohibited the use of a geographical name as a trade-mark or trade name and that Decree was in force before the use of the word "Isabela" began, even under plaintiff's claim.

The citation last quoted is erroneous in several distinct and important particulars, namely:

1. The court below is wholly in error in its statement that the Royal Decree of 1888 was in force before the use of the word "Isabela" began as an abbreviation of the full text of plaintiff's registered trade name.

Testimony of Plaintiff's Witness Antonio Malvehey (Rec., pp. 20–29).

This witness, who is the Secretary of the plaintiff corporation, testified that plaintiff's business had been established in the Philippine Isalnds since the year 1882 (Rec., p. 20); he testified, wholly without contradiction, that the cigar and cigarette factory of the plaintiff corporation had been established under the name of "La Flor de la Isabela" over twenty-seven years before the time at which he gave his testimony (Rec., p. 20). The Manila *Gazette* of January 1, 1883, contains a proclamation by Governor

General Primo de Rivera in which he states that the plaintiff herein, La Compañía General de Tabacos de Filipinas, had taken over the Government tobacco business theretofore operated as a government monopoly, as of January 1st, 1883.

Gaceta de Manila, p. 1, Vol. of 1883. Library of Congress.

The witness, Mr. Malvehey, further testified (Rec., p. 23) that the "Isabela Cortos" brand of cigarettes was the first cigarrette manufactured by the company; that it has been manufacturing them ever since it commenced operations; that these cigarettes have always been known by that name; that they have never been known by any other name; that that name has been continuously published in plaintiff's price list (Rec., p. 23).

The testimony of plaintiff's witness, Faustino Perez (Rec., p. 27).

This witness was and has been from the commencement of plaintiff's tobacco business in charge of its sales department (Rec., p. 27). He testified positively that he had been selling "Isabela" cigarettes for *over twenty-six years;* that they have been continuously on sale and in the *same form of package* (Rec., p. 28).

The testimony of these witnesses is absolutely uncontradicted and proves conclusively that the phrase "La Flor de la Isabela" and its contracted form "Isabela" both antedated the Royal Decree of 1888, which was promulgated in the Madrid *Gazette* of November 2, 1888.

Furthermore, the very text of the Certificate of Ownership of the trade name in question (Exhibit A, Rec., p. 50), which bears date April 5, 1887, shows that the existence of plaintiff's factory and its use of the names and marks thereby confirmed to it, andedate the certificate. The language used in regard to the establishment of the

factory and the possession of the trade names by plaintiff is in the past tense.

2. The court below is wholly in error in its statement that the Royal Decree of 1888 prohibited the use of geographical names as trade names or trade-marks. No such prohibition is contained in the Royal Decree of 1888 or in the Regulation of January 4, 1884, in force when the Certificate of Ownership (Exhibit A) was granted to plaintiff.

The evidence shows conclusively that the use of the trade name and its abbreviated form, as well as official confirmation of title to the name, antedated by over a year and a half the promulgation of the Royal Decree of 1888, from which time it took effect (Spanish Civil Code, Article One). Consequently, the validity of plaintiff's claim is to be determined by the law in force when the use began and the grant was made. This was the Decree or Regulation of January 4, 1884, the full text of which will be found in the Manila *Gazette* of January 20, 1886, in the Library of Congress.

(*a*) THE REGULATION OF 1884 DID NOT PROHIBIT THE USE OF GEOGRAPHICAL NAMES.

Under date of January 4, 1884, the Governor General of the Philippine Islands promulgated a legislative order, designated as a Regulation, in which rules are established regarding the use of trade-marks, the procedure by which authority to use them was to be obtained, and the legal effect of the Certificates of Ownership to be issued by the Philippine administrative officials upon the authority conferred by the Regulation. This Regulation was in force in 1887, when the Certificate of Ownership (Exhibit A) under which the plaintiff claims in this case was issued by the Governor General. The first section of the Regulation contains a definition of the term "trade-mark" in the following language:

Section 1.—Factory marks, trade-marks and agricultural marks are the names of manufacturers, merchants, and farmers, or companies formed by them; denominations, emblems, shields, reliefs, letters, numbers, containers, coverings, signs, whatever may be their kind or form, which serve to enable manufacturers or farmers or companies formed by them, to identify their products or merchandise that they may know them and distinguish them, without confusing them with others.

The Court will note that this definition expressly includes *names* and *denominations* in the definition of the term "trade-mark."

Section five of the Regulation contains an enumeration of the words, signs and devices which may not be adopted as trade-marks. This section reads as follows:

A manufacturer, merchant, farmer or tradesman of any other class may adopt for the products of his factory, business or farm any distinctive he may select, with the exception of the following:

1. The national arms and Spanish insignia and decorations, unless properly authorized to do so.

2. The shields, insignia, crests and mottoes of foreign nations and states, without the express consent of the respective governments.

3. The names generally used in trade to designate classes of merchandise.

4. Drawings offensive to public morals, and caricatures which tend to hold up to ridicule ideas, persons, or things worthy of respect.

5. Distinctives for which others have previously obtained a trade-mark certificate as applied to the same class of products, merchandise, or things, until such certificate shall have been cancelled in accordance with the terms of this decree.

6. Distinctives which by reason of their similarity to others formerly granted tend to induce error or cause confusion.

7. Those referring to any religious cult, when from the general appearance of the mark it appears that it

was intended to hold such form of worship up to scorn, contumely or contempt, or the same result may follow, even if not intended.

8. Portraits of living persons, unless their consent has been obtained, or of persons deceased, if their relatives within the fourth civil degree object to the use.

Section twelve of the Regulation provides that persons to whom Certificates of Ownership are granted in accordance with its terms shall be authorized to institute criminal proceedings against persons guilty of using—

marks which may be mistaken for the lawful ones,

and to maintain a suit for damages against such infringers.

Section fifteen reads as follows:

> Property in certificates of marks, designs and medals shall be considered in the same manner as personal property of all other kinds with respect to its transmission, prescription, and other legal effects.

The Regulation enumerates the grounds upon which certificates of ownership may be cancelled by the Colonial Minister (Article 19); establishes the procedure to be followed in proceedings for the cancellation of marks (Article 20); declares that the ownership of the mark is conferred by the issuance of the certificate and compliance with the requirements of the Regulations; and designates the administrative officers to whom petitions for certificates of ownership of marks are to be addressed and by whom they are to be granted or denied.

A careful perusal of the full text of the Regulation, which is printed in the Manila *Gazette* of January 20, 1886, and in Volume 1 of the "Compilación Legislativa de Ultramar," both of which are to be found in the Library of Congress, will fail to disclose a single word which by any possibility can be construed as indicating that the

use of geographical words was prohibited, either in their primary or their secondary sense.

The Regulation of January 4, 1884, continued to govern the subject of trade-marks in the Philippine Islands until 1888. Under date of October 26th of that year, the King of Spain, at the instance of the Colonial Minister, promulgated a Royal Decree covering the same subject and repealing the Governor General's Regualtion of 1884. To all intents and purposes the Royal Decree of 1888 is simply a reenactment of the Regulation of 1884 and was probably promulgated to settle any doubts which might have existed with respect to the authority of the Governor General of the Philippine Islands to issue a legislative decree of the character of the Regulation in question.

(*b*) THE ROYAL DECREE OF 1888 EXPRESSLY CONFIRMED TITLES TO TRADE-MARKS GRANTED UNDER THE REGULATION OF 1884.

Section 7 of the Royal Decree of October 26, 1888, reads as follows:

> In order to enjoy the ownership of a mark, design, or model it shall be necessary to have acquired it in strict accordance with the provisions of this Decree, or those of the Regulation of January 4, 1884.
>
> Madrid *Gazette* of November 2, 1888.

(*c*) THE ROYAL DECREE OF 1888 DID NOT PROHIBIT THE USE OF GEOGRAPHICAL NAMES AS TRADE NAMES OR TRADE-MARKS.

Section 5 of the Royal Decree of 1888 is a literal transcription of Section 5 of the Regulation of 1884, which we have set out in full above.

Madrid *Gazette* of November 2, 1888.

This is the only article of the Royal Decree of 1888 which deals with the subject of appropriable marks or

devices, and it is obvious that not a word in it can be construed as amounting to a prohibition, either retroactive or prospective, of the use of geographical names for that purpose. On the contrary, the legislature having defined lawful marks and devices by an enumeration of that which is prohibited (Sec. 5, Regulation of 1884; Sec. 5, Royal Decree of 1888) this must be construed as the equivalent of an express authorization to use any and all marks or devices not falling within that enumeration. *Expressio unius est exclusio alterius.*

The Court will recall that by Section 14 of Act 666 of the Philippine Commission "certificates of registration of trade-marks and trade names" issued by the Spanish authorities of the Philippines, are declared to be *conclusive* evidence of ownership, provided they are "unannulled under the Royal Decree of eighteen hundred and eighty eight." This reference is, no doubt, to the provisions of Section 18 of the Royal Decree cited, which authorized the Spanish Colonial Minister to cancel certificates of ownership in certain enumerated cases, such as abandonment of use of the mark or device for over a year, or the dissolution of the corporation to which the certificate was granted. By its terms the cancellation required affirmative action on the part of the Government. The evidence in this case (Test. of Mulvahey, Rec., p. 21) shows without contradiction that the certificate of ownership under which plaintiff claims has never been cancelled.

It is of interest to note, as showing the policy of the Spanish legislature, that the Trade-mark Law of May 16, 1902, now in force in the Peninsula, the full text of which will be found in the Appendix for 1902 of Alcubilla's "Diccionario de la Administración Española," in the Library of Congress, contains no prohibition against the use of geographical names. The enumeration in that Act of prohibited marks and names is an almost literal

reproduction of Art. 5 of the Philippine "Reglamento" of 1884, with the addition of a clause forbidding the use of the Red Cross insignia as trade-marks.

(*d*) THE SPANISH GOVERNMENT ITSELF USED GEOGRAPHICAL NAMES AS TRADE-MARKS AND TRADE NAMES.

It is a matter of history, of which the Court will take judicial notice, that the tobacco industry in the Philippine Islands was a government monopoly from 1778 up to the year 1881, when by Royal Decree the monopoly was ended.

> Alcázar, Historia de los Dominios Españoles de Oceanía, p. 463.
> Jernegan, Short History of the Philippines, p. 208.
> Madrid *Gazette* of July 26, 1881.

The government tobacco business, as a going concern, was sold to plaintiff.

> Proclamation of Governor General Primo de Rivera, Manila *Gazette* of January 1st, 1883.

Among the marks used by the government and transferred to plaintiff were the marks "Cavite," "Malabon," and "Meisic" (Decision, Rec., p. 73) every one of which is a geographical name. For years prior to the abolition of the government monopoly the products of the tobacco factories of the Philippine Government were advertised for sale under these names in the Manila *Gazette*.

The Spanish law is noticed judicially by the Court and like notice will be taken of matters of Philippine History and of official action taken during the Spanish régime in the Philippines and recorded in the official journal, the *Gaceta de Manila*.

> Ponce *v.* Roman Catholic Church, 210 U. S., 296, p. 309.

We respectfully submit, therefore, that the Certificate of Ownership (Exhibit A, Rec., p. 50) conferred upon plaintiff a valid right to the exclusive use of the disputed phrase, and also, as we shall proceed to demonstrate, (*post.*, p. 74) to its essential and characteristic component parts. That such a right is *property* under our law is not open to question (Trade-mark Cases, 100 U. S., 92, cited *ante*, p. 11).

The Spanish law is even more emphatic than our own in its recognition of trade-marks and trade names as *property*.

> * * * trade-marks and trade names constitute an industrial property as legitimate and as worthy of respect as any other form of property known to the law.
>
> Marx *v.* Alvarez & Co., Decisions Supreme Court of Spain, Vol. 61, Jurisprudencia Civil, 742.

Sec. 15 of the Regulation of January 4th, 1884, under which the Certificate of Ownership (Exhibit A) of the trade name in question was granted plaintiff, declares that such certificates—

> shall be considerred in the same manner as personal property of all other kinds with respect to its transmission, prescription and other legal effects.

As pointed out by Marafy in his monumental compilation of the trade-mark laws of the world, the recognition of such property as standing on an equal footing with all other classes of personal property permits its sale *in gross*. He says on this point, with respect to the Spanish law:

> A Royal Order of April 11, 1858, having decided that the ownership of factory marks is assimilated to that of personal property, it follows that the trademark may be transferred independently of the business.

Marafy, International Dictionary of Industrial Property, Vol. 3., p. 596.

This demonstrates that under the Spanish law by which plaintiff's rights were governed at the time of the ratification of the Treaty of Paris such property as this was even more valuable than similar property under our own law, which does not recognize the right of ownership in the name or symbol except as appurtenant to the business to which it applies, and will not permit it to be alienated *in gross*.

POINT NINE

THE PROPERTY RIGHT CREATED BY THE CERTIFICATE OF OWNERSHIP OF PLAINTIFF'S TRADE NAME WAS AND IS PROTECTED BY THE TREATY OF PARIS.

Article 8 of the Treaty of Paris expressly provides that the relinquishment of Spain's sovereignty over the Philippines shall not impair—

> the property, or the rights which by law belong to the peaceful possession of property of all kinds * * * of private individuals, of whatsoever nationality such individuals may be.

We have had occasion to show, in our argument in support of Point Seven (d) (*ante*, p. 50) that trade-marks and trade names were recognized and protected under the law of Spain as property rights of high order. Any decision which refuses to accord to such rights the same degree of protection to which they were entitled under the Spanish law, whether it be based upon an erroneous assumption as to the statutory expression of that law or a retroactive application of subsequently enacted statutes of our own, of necessity amounts to an impairment of such rights, contrary to the undertaking of the Treaty of Paris, the obligation of which is not only legal but moral. No one can doubt, after reading the decision of the Spanish Supreme Court in the case of Marx *v.* Alvarez & Co. (*post.*, p. 76), what its decision would have been in this case had it now the power judicially to enforce respect for the rights created by the statutes of Spain in the countries formerly subject to her control. Anything less than that same degree of protection must be and is an impairment of the right asserted.

POINT TEN

THE TRADE-MARK ACT OF THE PHILIPPINE COMMISSION (ACT 666) EXPRESSLY RECOGNIZES THE VALIDITY OF TRADE NAMES ACQUIRED DURING THE SPANISH REGIME.

Section 14 of Act 666 of the Philippine Commission expressly provides that—

> certificates of registration of trade marks * * * under the Spanish sovereignty in these Islands, unannulled under the Royal Decree of eighteen hundred and eighty-eight, shall be conclusive evidence of the exclusive right of ownership of such * * * trade names in respect to the * * * business * * * to which they by the terms of the registration apply.

Section 5 of the same Act declares that trade names shall—

> be as fully protected as property in a trade-mark by the civil remedies provided in Section 3 of this Act for the protection of property in trade-marks.

As this protection is not limited to trade names *acquired* under the Act it must be construed as including those trade names acquired under Spanish sovereignty recognized by Section 14. Property in trade marks is, by the terms of Section 3, accorded protection—

> in the same manner and to the same extent as are other property rights known to the law.

In view of the express declaration of Section 14 of Act 666 construed in the light of Sections 3 and 5 (*post*, p. 56), we are at a loss to determine by what process of reasoning the court below could have arrived at the conclusion that the validity of plaintiff's trade name, and its legal effects, are to be measured by Act 666, as though it had been acquired under that Act. Yet that is distinctly what the Court held, for it says (Rec., p. 68):

> It must be borne in mind, as we stated at the outset, that the only rights existing in this jurisdiction with respect to trade-marks and trade names, as well as unfair competition, are *conferred* by Act 666; and accordingly they are limited by the provisions of the Act.

Again, the Court says:

> The action being based entirely on the theory of secondary meaning and the *statute* giving no right of action in cases of that character, it is evident that the action cannot be maintained.

The assumption is that prior to the enactment of Act 666 trade-marks and trade names in use in the Philippines, even though registered under the Spanish law, were entitled to no protection after the fall of the Spanish power—that between the ratification of the Treaty of Paris and the enactment of Act 666 there was a legal void, during which trade-mark and trade-name property rights might be invaded with impunity, although *all* property rights were guaranteed protection by the Treaty. Amazing as this conclusion sounds, what other meaning can be given to the statement that no rights to trade names in the Philippines exist in the Philippines except as "*conferred*" by Act 666?

We believe this statement to be fundamentally erroneous. We believe that before the enactment of Act 666 the owners of all trade-marks or trade names lawfully acquired and registered before the change of sovereignty enjoyed the same rights in respect to them as during the Spanish régime. During the military régime the civil courts were empowered to administer justice, in all places in the Philippines in the peaceful possession of the United States, according to the general law, substantive and adjective, existing at the time of the American occupation. The interdicts authorized by the Spanish procedure were

amply sufficient to meet the requirements of the case. The Penal Code furnished ample means for the punishment of infringers. After the reorganization of the courts under Act 136, passed long before Act 666, the power to grant injunctive relief, as at present exercised, was expressly conferred by the legislature (Act 190, Secs. 162 *et seq.*).

Such a declaration as that of which we complain overlooks Section 14 of the Act, and, if permitted to stand, would make it meaningless. Under the Act the right to trade-marks and trade names (Sec. 2 and 5) is derived from their *appropriation*—registration is not necessary, and merely creates a *presumption* (Sec. 15). The right to protection in the enjoyment of trade-marks acquired by appropriation is not limited to those adopted *subsequently* to the passage of the Act, but embraces those "heretofore * * * appropriated" (Sec. 3). But as to trade-marks the right to which depends solely upon *appropriation*, even if adopted before the passage of the Act, they appear to be subject to the limitations of Art. 2 as to what may be so appropriated. This was intended, no doubt, to make provision for the many trade-marks and trade names which had come into use during the period between the cessation of Spanish sovereignty and the passage of Act 666. During that period it had been impossible to register new marks because the change in the political organization had done away with the officers empowered to administer the old law and had designated no others to take their place.

The terms of Secs. 2 and 3 were broad enough to cover all marks "*heretofore*" adopted, whether registered or not, but the protection accorded would have been subject to the proviso of Section 2. Realizing that the policy of the former sovereign might have been different in this regard, the legislature enacted Sec. 14, making the certifi-

cate of registration *conclusive* evidence of ownership. Clearly, unless Sec. 14 was intended to embrace some marks which would not fall within the terms of Sections 2 and 3, it would be mere surplusage. A construction which gives this effect to any part of a statute is to be avoided.

> A statute ought, upon the whole, to be so construed that, if it can be prevented, no clause, sentence, or word shall be superfluous, void or insignificant.
>
> Washington Market Co. *v.* Hoffmann, 101 U.S., 115.

We contend, furthermore, that the effect of Sec. 14 of the Philippine Trade-mark Act was the same with respect to the trade-marks and trade names falling within its purview as was the fourth proviso of Sec. 5 of the Act of Congress of February 20, 1905, with respect to the words and phrases which it, in effect, converted into valid trade-marks and trade names, regardless of their status prior to its enactment. That proviso permitted the registration of "any mark" which had been in use by the applicant or his predecessors as a trade-mark for ten years next preceding the passage of the Act. In the case of Davids Co. *v.* Davids (233 U. S., 461) the Court held that the purpose of Congress was to permit the registration of marks—

> consisting of names of persons, firms or corporations, of terms descriptive of character and quality, or of geographical names or terms. Marks of this sort, notwithstanding the general prohibition, were made registrable when the applicant or his predecessor had used them, actually and exclusively, as trade-marks for the described period * * *. Having the right to register its mark, the complainant was entitled to its protection as a valid trade-mark under the statute. * * *

We contend that the same construction must be given Sec. 14 of the Philippine Trade Mark Act. If it was

intended to afford protection only to such Spanish marks as those which could be acquired by user under the general terms of the Act, Section 14 would have been mere surplusage. It is only by regarding it as operative as a recognition of the validity of marks or names which would otherwise fall within the prohibition of Sec. 2 of Act 666 that it can be given any effect whatever. The language of the statute is that such certificates as that possessed by plaintiff shall be—

> *conclusive* evidence of the *exclusive* right of ownership of such * * * trade names in respect to the * * * business * * * to which they by the terms of the registration apply.

It would be difficult to give more vigorous expression to the legislative intent. The declaration is broad enough to give validity to such certificates as muniments of title regardless of their original legality under the Spanish statutes purporting to authorize their issuance.

It is quite likely that the Commission, in enacting Sec. 14 of its Trade-mark Act, had in mind the instructions contained in Circular No. 12 of the Division of Customs and Insular Affairs of the War Department, issued over the signature of the then Assistant Secretary of War, under date of April 11, 1899, as follows:

> In territory subject to military government by the military forces of the United States * * * the rights of property in patents and trade-marks in the Islands of Cuba, Porto Rico, and the Philippines and other ceded territory to persons under the Spanish laws shall be respected in said territory the same as if such laws were in full force and effect.

This Circular is cited in the opinion of the Supreme Court of the Philippines in the case of Gsell *v.* Yap Jue, 6 Phil. Reps., 146.

POINT ELEVEN

THE ENACTMENT BY THE PHILIPPINE COMMISSION OF ITS TRADE-MARK LAW (ACT 666) COULD NOT DIVEST OR IN ANY MANNER MODIFY PLAINTIFF'S VESTED RIGHT TO THE TRADE NAME GRANTED TO IT BY THE SPANISH GOVERNMENT.

The decision of the Supreme Court of the Philippines proceeds throughout upon the erroneous assumption that plaintiff's rights in respect to its trade name are to be measured by the standard of Act 666 of the Philippine Commission. In so far as the Act is merely declaratory of the pre-existing law it is to that extent applicable. But we contend that in so far as it creates new rules of law as regards, for instance, what devices or words may lawfully be appropriated as a trade-mark, the Act is not to be construed as divesting rights to the use of other words and devices lawfully acquired under the former law. The Court below was therefore clearly wrong in its broad statement (Rec., p. 68) that—

> no trade name can legally exist except that legally prescribed by the Act.

This is at variance with the plain terms of the Act itself, which expressly declares (Sec. 4) that—

> property in trade names shall be as fully protected as property in a trade-mark.

The trade-marks to which the Act (Sec. 3) guarantees protection—

> to the same extent as are other property rights known to the law

are those which have been—

> *heretofore* or hereafter

appropriated. Obviously, trade names appropriated *before*

Act 666 went into effect could not have been "prescribed" by the Act.

The Court then proceeds to establish the conclusion that there is no right under Act 666 to a secondary meaning derived from a trade name, and that therefore plaintiff can assert no legal right to any secondary meaning which may have attached to the trade name in question, notwithstanding the fact that it had existed for seventeen years before Act 666 was passed!

We most earnestly contend that if Act 666 were susceptible of the construction given it by the lower court—which we most earnestly dispute—it would be to that extent void as contrary to the terms not only of the Treaty of Paris, but also to those of the Act of Congress of July 2, 1902 (the Philippines Bill), by which (Sec. 5) all legislation which deprives any person of property without due process of law is denied validity.

POINT TWELVE

THE PHRASE "LA FLOR DE LA ISABELA" IS ONE LAWFULLY SUSCEPTIBLE OF ADOPTION AS A VALID TRADE NAME UNDER THE AMERICAN LAW.

A trade name, as distinguished from a trade-mark, is intended to be descriptive of the manufacturer or dealer, or of his factory. It serves to identify his *business*, just as his own name identifies his person. A trade name, when attached to goods is designed to say plainly what a trade mark only indicates by association and use.

The adoption of a trade name for a business is therefore like the selection of a name for a corporation—its object is to identify the business as a whole with its output as a whole.

A trade-mark being a symbol, phrase, or device to be attached to the wares as a means of designating their source or origin, must be arbitrary, to serve its purpose. A symbol merely indicative of quality or of the place of production fails of its purpose in that it is not distinctive. It is for that reason that the law will not permit the adoption of geographical names as trade-marks when intended merely to indicate the place of manufacture or the origin of the goods.

Columbia Mill Co. *v.* Alcon, 150 U. S., 460.

But although a geographical name may not be adopted as a trade-mark or a trade name in its descriptive or generic sense, it may be lawfully so adopted if used in a merely fanciful or arbitrary sense, and particularly as part of a combination. This is well exemplified in a well considered decision of the Supreme Court of Missouri, in which it was said:

> The plaintiff is a dentist, practicing his profession in the city of St. Louis. His petition states that for

about twelve years past he has kept over the entrance to his place of business a sign bearing the words "New York Dental Rooms" and adds other particulars of fact which are sufficient to vest in him a proprietary right in those words as descriptive of the place where his business is carried on, if the words themselves are capable of being held in such a right. * * * The grounds of objection chiefly relied upon seem to be that the words "New York" being a mere geographical designation, and the word "Dental" only a generic term of description applicable to a business or occupation, there can be no proprietary right in either, and no infringement in the use of them by a person other than the plaintiff. * * * To say that a geographical name can never be used as a trade-mark states the rule far too broadly. When such a name is employed in connection with the place of manufacture or production, no person manufacturing or producing at that place can monopolize it against other persons manufacturing or producing at the same place. * * * There is yet another class of cases in which proprietary rights may be acquired in a geographical name. This occurs when the name is used not for the purpose of indicating a particular locality as in any way connected with the business, but only as a fancy designation, adopted for the sole purpose of distinguishing the factory, or its business, or the particular persons engaged therein, from all other institutions or persons identified with the same pursuit.

Sanders *v.* Utt, 16 Mo. App., 322.

See also—

Sebastian Trade-marks, 73.
Hiram Walker & Sons *v.* Heckstaeder, 85 Fed., 776.

A good example of the lawful incorporation of a geographical name into a phrase constituting a trade name is to be found in the case of Brooklyn White Lead Co. *v.* Masury, 25 Barbour's Reports, 417. Plaintiff and defen-

dant were both manufacturers of white lead, their places of business both being situated in Brooklyn. Defendant for a long time, had manufactured his product under the name of "Brooklyn White Lead." This the Court held that he was entitled to do equally with plaintiff, but on the other hand decided that he had not the right to adopt the trade name of "Brooklyn White Lead and Zinc Company" because by so doing he was in effect endeavoring to appropriate a part of plaintiff's good will.

In Metcalfe *v.* Brand, 18 Ky., 331, the Court said:

> The name of the place where it [a manufactured aritcle] is made serves in no way to indicate its quality or composition; and where the manufacturer has given it a geographical name which he was the first to use in connection with the article, it seems to us that it may from long use in such connection acquire a secondary meaning and instead of designating the place where the article is made, indicate its origin or that it is the product of a particular manufacturer or made according to his methods. When this is the case it becomes according to our opinion a valid trade-mark.

In the case of W. R. Lynn Shoe Co. *v.* Auburn-Lynn Shoe Co., 100 Me., 461, decided in 1905, the evidence established the fact that the plaintiff, a concern engaged in the manufacture of shoes at Auburn, Maine, had adopted and used as its trade-mark and trade name the phrase "Auburn-Lynn Shoes." Auburn was the name of the town in which the business was located and Lynn the name of the principal stockholder and manager of the company. The defendant company was organized to engage in the same business at the same place, one of its members being a man called Lynn. The new corporation adopted and commenced to use a trade mark consisting of the phrase "Auburn-Lynn Shoe Company." Plaintiff sued to restrain the use of this trade-mark and the injunc-

tion was granted by the lower Court. In disposing of the appeal the Court said:

> It is contended in behalf of the defendant company that, as the word "Auburn" in the plaintiff's trade name indicated the place of manufacture, and the word "Lynn" signified the name of the manufacturer, the phrase "Auburn-Lynn Shoes" could not become the subject of an exclusive property right of the plaintiff, and was therefore incapable of being a valid trade-mark. But this contention cannot be sustained. * * * The general common-law proposition, upon which all the Courts unite, is that any words, letters, figures, marks, or devices, or combination of any of these, affixed to a commercial article and used primarily to indicate the origin or ownership of it, either by its own meaning or by association with the article, and not employed merely as descriptive of such article to designate its quality or ingredient only, or solely as a geographical name without any secondary signification, must be recognized as a valid trade-mark. * * * But while it is undoubtedly the general rule that a geographical name, when used alone and affixed to a manufactured article for the purpose of designating the place of its manufacture, or the address of the manufacturer, cannot be appropriated as a trade-mark, it has been held in numerous well-considered cases that a geographical name which has long been used to indicate a particular manufactured article may acquire a secondary meaning as the designation of a particular class of such articles, or the product of a particular manufacturer, and thus either become entitled to protection against infringement as a valid trade-mark, or serve as a basis of a proceeding to prevent unfair competition. In American Waltham Watch Co. *v.* United States Watch Co., 173 Mass., 85, 43 L. R. A., 826, 73 Am. St. Rep., 263, 53 N. E., 141, it was held that, while the name "Waltham" on watches was originally used in a geographical sense, by long use in connection with the plaintiff's watches, it had acquired a secondary meaning as a designation of the

watches which the public had become accustomed to associate with the name. In Montgomery *v.* Thompson (1891), A. C., 217, it was decided by the House of Lords that the term "Stone Ale," which had been applied to a particular quality of beer manufactured by the defendants at the town of Stone, was entitled to the protection of the Court, and the plaintiff was enjoined from selling any ale not manufactured by the defendants under the name of "Stone Ale." In Wotherspoon *v.* Currie, L. R., 5, H. L., 508, it was held that the word "Glenfield," as applied to starch, had acquired a secondary meaning, and indicated to the public the starch was made by the appellants. *See also* Reddaway *v.* Banham (1896) A. C., 199; Carlsbad *v.* Kutnow, 18 C. C. A., 24, 35 U. S. App., 750, 71 Fed., 167; Viano *v.* Baccigalupo, 183 Mass., 160, 67 N. E., 641; Metcalfe *v.* Brand, 86 Ky., 331, 9 Am. St. Rep., 282, 5 S. W., 773; Paul, Trade-marks, Section 59, and cases cited.

In the case of American Waltham Watch Co. *v.* United States Watch Co., 173 Mass., 85, the defendant was enjoined from using the word "Waltham" on its watches except in connection with other words to show that its watches were not those manufactured by the plaintiff, which had first established itself at Waltham. The evidence showed that from long use the word "Waltham" had acquired a secondary meaning and to producers of watches meant the products of plaintiff's factory. Mr. Justice Holmes, writing the opinion of the Court by which the injunction was sustained, said:

> The name of a person may become so associated with his goods that one of the same name coming into the business later will not be allowed to use even his own name without distinguishing his wares * * * and so, we doubt not, may a geographical name acquire similar association with a similar effect.

The circumstances of the Waltham case are in some important respects strikingly similar to those of the case

at bar. The particular name originally adopted by plaintiff was a phrase of which the word "Waltham" was but one of the component parts, but by a natural process of abbreviation *one* of these words had come to represent in the public mind the business of plaintiff and to identify its product, just as in this case one only of the words composing plaintiff's trade name has come to be used in place of the whole. It is to be noted, however, that in our case the geographical word which forms part of the whole name and which has come to be used as its abbreviation, was selected in a purely arbitrary way, in that it represents neither the place where plaintiff's business is located nor the place of the origin of the material used in the manufacture of its wares, whereas in the Waltham case it was the designation of the place at which the business was established.

It is also of importance to note, in this connection, that when plaintiff's trade name was adopted the official designation of the province now known as the Province of Isabela was "Nueva Isabela," under which name it is mentioned in the *Gaceta de Manila* in official communications, and that latterly the designation seems to have been changed to "Isabela de Luzon." It is under this name that Sr. Perez Martinez was appointed to the office of Civil Governor of the province, by Royal Decree of January 29, 1898, and it is under this designation that he speaks of his province in his pamphlet, to be seen in the Library of Congress, relating to his experiences there during the Philippine Insurrection. It was not until the Philippine Commission commenced to legislate that the province is referred to officially merely as the province of Isabela.

It is also of importance to note that the word "Isabela" is a common name—the province was in all probability originally named in honor of Queen Isabel II of Spain. It is quite likely that a very large porportion of the users

of plaintiff's cigarettes think of the word "Isabela" in this sense, and not at all as a geographical designation—particularly consumers who make their purchases in the United States.

In the case of Singer Manufacturing Co. *v.* June Manufacturing Company, 163 U. S., 169, it was held that although the word "Singer" had become generic as the designation of the particular kind of sewing machine and that the right to manufacture the machine and to designate it by that name had passed into the public domain by the expiration of plaintiff's patents, these facts would not permit defendant to advertise its wares in such a manner as to create the impression on the part of purchasers that they were the wares of plaintiff's manufacture. The word "Singer" had acquired by long use a double meaning—it indicated a particular kind of sewing machine and it also indicated a machine made by the plaintiff corporation. In its first or generic sense the word was common property, used in its secondary sense as a name by which plaintiff enjoyed the good will of its business, it was not public property and could only be used in such a manner as to avoid an infringement of plaintiff's rights.

In the case of Elgin National Watch Co. *v.* Illinois Watch Case Co., 179 U. S., 665, the Court declined to restrain the use of the word "Elgin" because it appeared that it was used simply to indicate the place of manufacture and could not, therefore, be a valid trade-mark under the Federal statute upon which the jurisdiction of the Court depended. The Court took occasion to say in the course of its opinion, however, in passing upon the contention that the word "Elgin" had acquired a secondary significance and should not be treated as a merely geographical name:

> It is undoubtedly true that where such a secondary significance has been acquired its use in that sense

> will be protected by restraining the use of the word by others in such a way as to amount to a fraud on the public and on those to whose employment of it the special meaning has become attached.

If the word "Elgin" in the case cited had been adopted as a purely fanciful part of the trade name, having no relation to the place of plaintiff's business, it is believed that the result would have been different. In the case at bar the legal title of plaintiff to the trade name in question is, we believe, beyond dispute.

An interesting collection of cases in which a geographical name used in an arbitraty or fanciful sense had been held to constitute a valid trade name will be found in the note to the Elgin Watch Case on page 370 of Vol. 45 of the Lawyers' Edition, of the decision of the Supreme Court of the United States.

In the case of La Republique Française *v.* Saratoga Vichy Springs Co., 191 U. S., p. 435, the Court said:

> True, the word is geographical; but geographical names often acquire a secondary significance indicative not only of the place of manufacture or production but of the name of the manufacturer or producer and the excellence of the things manufactured or produced, which enables the owner to assert an exclusive right to such name as against every one not doing business within the same geographical limits; and even as against them, if the name be used fraudulently for the purpose of misleading buyers as to the actual origin of the thing produced or of the products of one business as those of another.

It is evident that the word "Isabela" as used in plaintiff's trade name "La Flor de la Isabela" to designate and identify its factory is purely fanciful and arbitrary. As stated in the "Certificate of Ownership" (Exhibit A, Rec., p. 50) the trade name is used by—

> the said corporation * * * to distinguish the products of the cigar and cigarette factory established by it in this city [Manila].

Manila is several hundred miles away from the province now known as Isabela, so it is evident that the word "Isabela" is used in the phrase as in no sense descriptive of locality. Nor does it in any sense indicate the quality of the products of the factory. The phrase, translated, is simply "The Flower of La Isabela." The learned justice who wrote the opinion of the Court below is in error in his deduction that it means "The finest tobacco grown in Isabela Province" (Rec., p. 70). There is no evidence on the subject, and the statement is a pure assumption that the word "flor," which is simply the Spanish word for "flower," means "The best tobacco grown in." The translation is so "free" that it is entirely severed from any connection whatever with the original. It must be remembered that this phrase is the *name* of a factory. Spanish-speaking people delight in fanciful designations for their businesses, as anyone who has traveled in Spain or Spanish America must have observed. There is nothing unusual in such names as "La Puerta del Sol" (The Gateway of the Sun), "La Estrella del Norte" (The North Star), on factories or stores, but such a *name* as "The best tobacco grown in the Province of Isabela" as a designation for a factory would certainly be unique, and as impossibly ludicrous to the ear of a Spaniard as it is to us.

The decision of the Supreme Court of Spain cited below (Marx *v.* Alvarez, Vol. 61 Jurisprudencia Civil, p. 742; Decision of May 5, 1887) (*post.*, p. 76) is aptly illustrative of this point. The phrase protected and upheld there was "La Flor de Daniel Webster." The "free" translation of the words "La Flor" tacked on to the rest of the phrase would fit as well in that case as in this.

The trial judge said on this point (Rec., p. 63):

> We do not think that in the present case the name "Isabela" as applied to plaintiff's cigarettes has in reality much to do with the name, quality or description of the cigarette so named or of the place of its production * * * it is evident that in speaking of "Isabela Cortos" or "Isabela Largos" direct reference is not had to the Province of Isabela.

In its decision (Rec., p. 75) the lower court cites the case of Baxter *v.* Zuazua, 5 Phil. Reps., 160, as being "decisive of the main issues presented in this case." This action was brought by plaintiffs, claiming to be the owners of the trade name "Agua de Kananga," used to identify products of their perfumery distillery, to restrain the defendant from using the word "Kananga" in the same territory—the Philippines—for the same purpose. The trial court found that the word "kananga" was the name of a flowering tree common in the Philippine Islands, and therefore not appropriable under the Royal Decree of 1888, under which plaintiffs claimed, or under Act 666 of the Philippine Commission. The Supreme Court of the Philippines upheld this ruling, saying:

> This finding has not been disputed by plaintiffs. * * * It is apparent, therefore, that the word could not be used exclusively as a trade-mark, any more than could the words "sugar," "tobacco" or "coffee." The law is clear and conclusive upon the subject. "A designation, or part of a designation," says Section 2 of Act 666, "which relates only to the name, quality, or description of merchandise * * * cannot be the subject of a trade-mark." This provision is in conformity with paragraph 3 of Art. 5 of the Royal Decree of the 20th of October, 1888, under which Guillermo Baxter secured the registration of this trade-mark. The said Royal Decree provided that the designation generally used in commerce for the purpose of designating a class of goods could not be the subject of labels or trade-marks.

While this decision might be criticised on the ground that it fails to give effect to the declaration of Art. 14 of Act 666 that certificates of ownership issued under the old law shall be regarded as conclusive evidence of the marks to which they relate, it is clearly not in point in the present case. No question of secondary meaning was presented or considered. "Kananga water," as the name of perfumery distilled from the kananga flower, is descriptive in just the same sense that rose water, or wheat flour, are descriptive. It is, as the court says, nothing but the name generally used in trade to designate a class of goods. The evidence in this case, on the contrary, shows positively and without dispute that the word "Isabelas" standing alone does not designate any class of goods other than the cigarettes manufactured by this plaintiff. "Isabelas" as used by plaintiff for the past thirty years, and as defendant has commenced to use it, is a *noun*. As used in its geographical sense to designate the origin of the tobacco grown in a certain region of Luzon it is always used as an adjective. (Exhibit 7, Rec., p. 58; Exhibit 8, Rec., p. 58; Exhibit 11, Rec., p. 59; Exhibit 13, Rec., p. 59.) The expressions used are, "finest selected Isabela leaf," or "best Isabela leaf," or "picked Isabela tobacco"—the record does not disclose a single instance in which the word "Isabela" or "Isabelas" standing alone is used to designate tobacco of any grade whatever. As defendant's witness Prising explained (Rec., p. 36), before defendant commenced putting its cigarettes out under the name "Isabelas"—

> * * * if a man came up and asked for Isabelas we would ask whether he wanted Isabela Cortos or Largos.

That is, to the witness, an experienced dealer, such a call was not regarded as a request for any particular *tobacco*, but meant that the customer desired one or the other of the sizes in which plaintiff's cigarettes of that name were made.

POINT THIRTEEN

TRADE NAMES CONSISTING OF GEOGRAPHICAL WORDS WHICH HAVE ACQUIRED A SECONDARY MEANING ARE TO BE ACCORDED THE SAME PROTECTION AS SUCH WORDS WHEN INCORPORATED INTO A TRADE-MARK.

Sec. 5 of Act 666 of the Philippine Commission declares that trade names shall—

> be as fully protected as property in a trade-mark by the civil remedies provided in Section 3 of this Act for the protection of property in trade-marks.

Notwithstanding this express assimilation of *trade names* to *trade-marks*, and the declaration that both are to enjoy the same protection as "other property rights known to the law," the court below reaches the conclusion that, although with respect to *trade-marks* the law gives a right—

> which is, in many aspects, the equivalent of that springing from the doctrine of secondary meaning (Rec. p. 65);

nevertheless because the statute does not say in so many words that the owner of a trade name is entitled to protection against infringement of the secondary meaning of such names, no such right exists.

> The action being based entirely on the theory of secondary meaning, and the statute giving no right of action in cases of that character, it is evident that the action cannot be maintained. * * * (Rec., p. 69.)

We contend, on the contrary, that the right to the trade name as a whole being indisputable, as a right created by the Spanish law prior to the change of sovereignty, guaranteed by the Treaty of Paris, secured by Congress against legislative impairment by Section 5 of the Philippine

Bill and expressly recognized by Section 14 of the Philippine Trade-mark Act, its possession carries with it all the incidents essential to its complete enjoyment, and that this would be equally true had the name been adopted after Act 666 took effect.

POINT FOURTEEN

THE ACQUISITION OF AN EXCLUSIVE RIGHT TO THE USE OF A PHRASE AS A TRADE NAME PROTECTS THE OWNER IN THE ENJOYMENT OF THE ESSENTIAL COMPONENT PARTS OF THE PHRASE WHEN USED AS AN ABBREVIATION THEREOF TO IDENTIFY THE BUSINESS TO WHICH THE TRADE NAME RELATES.

(*a*) UNDER THE SPANISH LAW.

The theory of the colonial Spanish law of trade-marks was that the title to the mark or name was not acquired by the mere act of adoption, which is the theory of our law, but was conferred by the issuance of the certificate. Article 4 of the Governor General's Reglamento of 1884, makes registration compulsory, declares the use of unregistered marks to be unlawful, and expressly denies to users of unregistered marks the right to prosecute infringers. The same principle is carried into Section 7 of the Royal Decree of 1888. Article 12 of the Reglamento, re-enacted as Article 12 of the Royal Decree of 1888, authorizes the holder of a certificate of ownership to prosecute persons using any device or mark—

> which may be confused with the lawful marks.

The leading case on the subject in the Spanish Reports is Marx *v.* Alvarez & Co. (Vol. 61, Jurisprudencia Civil, p. 742), decided May 5, 1887. The case arose in Cuba. The law in force in Cuba at that time was the Royal Decree of November 20, 1850. The only limitation contained in that decree as regards selection of marks is to be found in Article 7 thereof, which reads as follows:

> Manufacturers may adopt for the products of their factories such distinctives as they may consider desirable, solely excepting: (1) The Royal arms, and Spanish insignia and decorations, unless lawfully authorized

to do so. (2) Distinctives for which others have previously obtained certificates of registration.

The Marx case was commenced by a complaint in the Court of First Instance of Havana to restrain the use of plaintiff's trade-mark and trade name, and for damages. Plaintiff was the registered owner of the phrase "La Flor de Daniel Webster" as the trade-mark and trade name of his cigar business. Defendants, who were engaged in the same business, adopted and commenced to use as their trade-mark and trade name the words "Daniel Webster." The mark containing these words was in no other respect similar to plaintiff's mark, the finding of the trial court, as stated in the decision, being that the two marks were—

> * * * completely different, there being no similarity between them, it being impossible to confuse them, either in their general appearance or in their details.

On the strength of this finding of the Court of First Instance the Appellate Court (Audiencia) of Havana held that there was no infringement. On appeal to the Supreme Court of Spain, plaintiff contended that the decision below was erroneous in that it failed to enforce the requirement of the statute that in the selection of distinguishing marks and devices, dealers should refrain from making use of—

> those theretofore registered by others.

Appellant further contended, as stated by the Spanish Supreme Court in its decision, that—

> as buyers pay most attention to the *name* of the brand, which is the most conspicuous and important thing which distinguishes the merchandise, and as Alvarez & Company use in their cigars the name "Daniel Webster" adopted by plaintiff, this unquestionably tends to mislead the buyer.

After stating the facts and the issues of law raised by the appeal, the Supreme Court of Spain said:

> Considering that trade-marks and trade names constitute an industrial property as legitimate and as worthy of respect as any other form of property known to the law; and that the law will not permit the use of such marks in such a manner as to tend to deceive the buyer with respect to the nature of the product, or the imitation of them in such a way that the buyer may be mistaken or mislead by taking such marks for the true ones; and considering that in this case the appellant, Luis Marx, a cigar manufacturer, was in lawful possession of the use of the mark called "La Flor de Daniel Webster" when the firm of Alvarez-Garcia applied for the registration of another mark called only "Daniel Webster"; that the essential feature of the first mark, its most prominent and characteristic feature, that which as a matter of fact constitutes its essential distinctive, and which if used in another mark may lead the buyer into error, is the Christian name and surname of the American jurist used in it, so that the differences as respects stamps, seals, and drawings between the two marks is unimportant; that therefore the decision appealed from, which relies upon these differences of detail as a ground for dismissing the complaint, erroneously interprets the letter and the spirit of the Royal Decree of 1850 extended to Cuba * * * and infringes Article 7 thereof, in accordnace with which manufacturers may not adopt for the products of their factories distinctives which others have registered before * * * we reverse and annul the judgment rendered on November 10, 1885, by the civil branch of the Audiencia of Havana.

It is obvious that the word "Isabela" in our trade name "La Flor de la Isabela" is just as much its "most prominent and characteristic feature" and its "essential distinctive" as were the words "Daniel Webster" in the name "La Flor de Daniel Webster." Just as common use

has condensed our mark to "Isabela," so, no doubt, usage had reduced the Marx trade name to "Daniel Webster." His customers unquestionably called for "Daniel Webster" cigars, just as ours call for "Isabela" cigarettes. Unless the courts were to protect the owners of such trade names in the use and enjoyment not merely of the literal text of the phrase as adopted, but also of the abbreviated equivalent established by public use, the possession of title to such names would be but a barren privilege. Such abbreviations are usually a matter of spontaneous growth, and are in themselves the best evidence of the existence and value of the good will of the business of which the trade name is the badge. An excellent example of this process is afforded by the evidence in this case, which shows (testimony of defendant's witness Olsen, Rec., p. 31) that the plaintiff's somewhat unwieldy corporate name—La Compañía General de Tabacos de Filipinas—has been condensed by the public to the single word "Tabacalera."

See testimony of Mr. Malvehy (Rec., p. 25).

A similar process of attrition has reduced the official designation of the Standard Oil Company of New York to "Standard Oil." In each of these instances the abbreviated form is not a new trade name, or corporate name, as the case may be, but is the popular equivalent of the formal appellation—its commercial synonym. It has value as a business designation only because of its absolute identity, in the public mind, with the name for which it is used, and of which it has become the counterpart.

In another case, decided December 14, 1887, the Supreme Court of Spain carried the principle of protection even further, holding that the plaintiff, the owner of an undertaking establishment, was entitled to enjoin the use by his competitors of the phrase "La Funeraria" without the use of other words to distinguish the business so adver-

tised from that of plaintiff's, although the words mean simply "The Undertaking Establishment." This case goes far beyond any American or English case we know of in protecting trade names, as this particular name is really generic except in so far as the use of the definite article tends to make it specific. The court held that as the word "Funeraria" was the characteristic feature of plaintiff's trade name his competitors would not be permitted to use it as a trade name either alone or with other words added. The court said:

> As the noun-adjective "*funeraria*" is the essence of the title, that which really distinguishes it and makes it characteristic, the use of that same word, with or without the addition of others as the peculiar denomination or emblem of other establishments of the same kind, is an unlawful act which infringes the rights of others and is at variance with that good faith which is the soul of trade.

An excellent statement of the grounds upon which the law protects the enjoyment of trade names and of their importance to their possessors is to be found in the report of the Spanish Minister of Agriculture accompanying his draft of the present Trade-mark Law of Spain of 1902, when introduced into the Spanish Parliament. The Minister said:

> It is a very common belief, but not for that reason any the less erroneous, that "trade name" and "firm name" are two equivalent expressions which mean essentially the same thing, losing sight of the fact that the firm name is a variation of the name properly so called, being the name of the persons who together carry on a business, while on the other hand the trade name is the name of the business itself. From these considerations a fundamental difference arises, which is that the firm name cannot be selected arbitrarily but must conform to the requirements of the Code of Commerce * * * while the trade name may

be selected at will and kept indefinitely; that as it is the designation of the establishment it is the one known to the public, who as a general rule pay but little attention to the firm name.

Alcubilla, "Diccionario de la Administracion Española." Appendix 1902, p. 238.

(*b*) UNDER THE AMERICAN LAW.

In the case of Cohn *v.* Nagle (Mass.) 76 N. E., 276; 2 L. R. A. (n. s.), 964, it appeared from the evidence that the plaintiff had adopted the phrase "Boston Co-operative Association Keystone" as a trade name for cigars manufactured by him, the first three words being indicated by the initials "B. C. A." Defendant, in the same territory, put out a cigar under the name of "Keystone Maid." The trial court found that plaintiff's cigars—

* * * are known to the trade as "Keystone" or "Keystones."

It was held that the defendant's use of the word "Keystone" was an infringement, although he had discarded from his mark the accompanying initials and had added the word "Maid," and notwithstanding the fact that there was no attempt to imitate plaintiff's labels, or the general appearance of his cigars or their containers. Similarly to our case, however, it appeared that dealers were selling defendant's cigars to customers calling for "Keystones," and that such consumers accepted defendant's wares believing them to be plaintiff's. The injunction was upheld upon the ground that—

the plaintiff having this right of property is injured by the defendant's use of the word "Keystone."

As we shall have occasion to demonstrate (*post.*, p. 81) the consequences of an infringement cannot be evaded by the shallow subterfuge of adding a new name to the word

or words which constitute plaintiff's name or mark. If this cannot be done when the whole of the appropriated phrase is incorporated into the piratical variation, upon what principle should an infringer be permitted to accomplish his purpose by selecting one or more of the significant, characteristic words composing the symbol and discarding the others?

In many other particulars the statements of the decision of the court below may be shown to be erroneous. For instance, the statement is made (Rec., p. 70) that—

> * * * there is no contention or claim of any kind that the use of the word "Isabela" is a violation or infringement of the trade name "La Flor de la Isabela." The action is not for the violation of the trade name "La Flor de la Isabela," but for the violation of an entirely different trade name, namely, "Isabela."

The only answer to this statement which is necessary is to ask the court to read the averments of our complaint. Our whole action is based upon the contention that the use of the word "Isabela" is an infringement of the trade name "La Flor de la Isabela," consisting in the wrongful use of an essential constituent part of that name—the most essential part of it, and which has come by long use to stand as the equivalent of the whole.

The court also states, as though this were conclusive of plaintiff's rights, that the evidence shows that we have never used the word "Isabelas" alone on a package as a separate or distinct name. The court has apparently overlooked our Exhibits O. P. and Q. (Rec., p. 56). But even were it true that plaintiff had always used the full text of its trade name, the allegation and proof being that the public and consumers abbreviate it by the use of the word "Isabelas," the fact that we have been unable to prevent this abbreviation should not be taken as a ground

for permitting defendant to avail itself of this public usage as a means for appropriating our good will. This, of course, is but another manifestation of the constantly recurring error of the court—its assumption that there can be no relief against the misuse by a competitor of a trade name unless he copies it verbatim.

POINT FIFTEEN

THE FACT THAT DEFENDANT QUAFIFIES THE WORD "ISABELAS" AS A BRAND NAME FOR ITS CIGARETTES BY THE USE OF ITS FACTORY NAME "ALHAMBRA" DOES NOT MAKE SUCH USE UNOBJECTIONABLE.

The evidence shows (Exhibits 3, 14 and 17) that defendant uses the word "Isabelas" as a brand name for its cigarettes in conjunction with its own factory name, thus "Alhambra Isabelas" or "Alhambra Ysabelas"—the letters "Y" and "I" being used interchangeably in Spanish. The lower court in the appealed decision (Rec., p. 79) holds that this would justify the use of the word "Isabela" by defendant—

> even if plaintiff had proved a right to the exclusive use of the word "Isabela."

This we respectfully submit is a palpable error and is another instance of the failure of the court below to remember that the fundamental distinction between a trade-mark and a trade name is that the former appeals to the *eye* and the latter to the ear. (Fairbank Co. *v.* Luckle, 102 Fed., 331.) Consumers of these cigarettes call for *Isabelas* not for *Tabacalera* Isabelas or *Alhambra* Isabelas (Testimony, Prising, Rec., p. 36).

Defendants object in using this name is to sell its cigarettes when buyers call for "Isabelas"—just as is being done, as testified by defendant's witness Prising (Rec., p. 36). The right conferred by the Spanish Certificate of Ownership (Exhibit A) was and is to prevent the unauthorized use of the whole mark or any component part of it. This is clear from the decision of the Spanish Supreme Court in the case of Marx *v.* Alvarez (61, Jurisprudencia Civil, p. 742) cited (*ante*, p. 76). Furthermore, the certificate of ownership vesting in plaintiff

the absolute ownership of the trade name, it is not necessary, either under the American and the Spanish law to show that defendant is guilty of intentional fraud in its use.

In the case of Cohen v. Nagle (Mass.), 76 N. E., 276; 2 L. R. A. (n. s.), 964, the plaintiff has adopted the phrase "B. C. A. Keystone" as a trade name for cigars manufactured by him, the initials standing for Boston Co-operative Association. The court found that—

> the cigars are known to the trade as "Keystone" or "Keystones."

It was held that the use by defendants of the term "Keystone Maid" as a trade name for cigars in the same territory was an infringement although there was no attempt to imitate the plaintiff's labels or the general appearance of his cigars or thier containers. It did appear, however, just as it does in this case, that dealers sold defendant's cigars to customers calling for "Keystones" in the belief that they were getting plaintiff's wares. The injunction was upheld upon the ground that—

> the plaintiff having this right of property is injured by the defendant's use of the word "Keystones."

In a case decided some time ago in this Court it was said, dealing with a similar attempt to justify the use of a trade name by adding to it the name of the infringer:

> Holt & Company, then, having acquired the exclusive right to the words "La Favorita" as applied to this particular vendible commodity, it is no answer to their action to say that there was no invasion of that right because the name of S. O. Ryder accompanied the brand upon the flour sold by appellants, instead of the name of Holt & Co. This is an aggravation and not a justification for it is openly trading

in the name of another upon the reputation acquired by the device of the true proprietor.

Menendez *v.* Holt, 128 U. S., 521.

A very recent case directly in point is Coca Cola Company *v.* Nashville Syrup Company, 215 Fed. 527, decided by the Circuit Court of Appeals. Plaintiff had been using the name "Coca Cola" as a trade-mark for ten years before the enactment of the Act of Congress of February 20, 1905, and had obtained registration under that Act. The name or mark "Coca Cola" was used in connection with the sale of a beverage manufactured by plaintiff. Defendant manufactured and sold a similar beverage, and advertised it under the name of "Fletcher's Coca Cola." The Court held that the registration of the name by plaintiff was lawful, disposing of certain objections made by defendant in this regard, and having further held that the fact—assuming it to be a fact—that defendant also used coca and cola in compounding his beverage, gave him no right to use plaintiff's name, proceeded to dispose of the contention that the use of the name was unobjectionable because of the fact that defendant used it in connection with the name "Fletcher"—precisely as the defendant herein uses our name "Isabelas" in connection with its own name "Alhambra." On this point the court said:

> Neither is the infringement avoided because defendant marks its bottles "Fletcher's Coca Cola." Not only does this qualification in the name fail effectually to reach the ultimate consumer (Coca Cola Co. *v.* Gay Ola Co., 200 Fed. Reps., 720, and 211 Fed. Reps., 942), but a trade-mark right which could be so avoided would be of little value. Indeed, even under the secondary-name theory and without the aid of the statute such marking would not sufficiently differentiate.

The importance of this case as an authority upon this point is not affected by the subsequent decision of this

Court in the case of U. S. *v.* Coca Cola Company, 241 U. S., 265, involving the construction of the Pure Food and Drug Act, although the findings were different regarding the use of coca and cola in the preparation of the company's beverage.

Upon the same principle it was held in the case of Thaddeus Davids Co. *v.* Davids that as plaintiff had acquired the right under the Act of Congress of February 20, 1905, to the exclusive use of the word "Davids" as a trade-mark for ink, the defendant was guilty of an infringement in using the same word in the same business in competition with plaintiff, although the word "Davids" on the infringing mark was coupled with the use of the initials "C. I."

Davids Co. *v.* Davids, 233 U. S., 461.

The law of trade-marks and trade names and the guaranty of the Treaty of Paris, would be poor, threadbare things indeed, were they to afford no protection in a case of this kind. Surely defendant would not be permitted to wrap a washing soap in a new style of wrapper and call it "Alhambra Sapolio." Neither should it be permitted to wrap cigarettes in a new style of wrapper and put them on the market as "Alhambra Isabelas." In doing so it is guilty of exactly the same piracy of trade as if the general appearance of plaintiff's wares had been imitated. The wrong committed wounds the plaintiff in two directions like a two-edged sword—it induces the ultimate consumer to believe that the wares so wrapped and named are a new brand of the well-known "Isabela" factory, and it induces the public to believe that the defendant, whose name and address in on the package, is the manufacturer of the well-known "Isabela" wares. No consumer of "White Rock" water, however familiar with the commodity, would refuse "White Rock" if offered him in a different-colored bottle, but would conclude that the original

dealers were employing a new form of package. This is particularly true in respect to the commodities manufactured by this plaintiff. It is in evidence (Rec., p. 28) that the plaintiff is making some twenty different styles or brands of cigarettes, each with a different labeling, and *non constat* but what it may manufacture and sell twenty-five such brands tomorrow. There is, therefore, no merit in the contention, made so insistently by defendant and accepted by the court below, that there is no infringement because the general appearance of his packages is distinct from those of plaintiff. It is the use of the name that constitutes the infringement of plaintiff's rights.

POINT SIXTEEN

THE SAME COURSE OF CONDUCT MAY CONSTITUTE AN INFRINGEMENT OF A TECHNICAL TRADE-MARK OR TRADE NAME AND ALSO CONSTITUTE UNFAIR COMPETITION AND THE COURT MAY GRANT SUCH RELIEF IN EITHER EVENT AS THE FACTS MAY WARRANT.

Plaintiff stated its causes of action in two counts (Rec., pp. 1 to 6, inclusive). In one of them the averments were so stated as to show an infringement of a technical registered name, and in the second, by the addition of the averment of a fraudulent intent on the part of defendant, the same facts were stated as constituting unfair competition. The trial judge took the view upon the whole evidence that the facts constituted a violation of trade-mark rights. As to the other point, the trial judge said:

> We doubt that the facts established under the circumstances of the case justify the inference of actual intent on defendant's part to deceive the public and defraud a competitor and can therefore not find the defendant guilty of unfair competition.

The judgment of the trial court was that defendant be enjoined from using the word "Isabelas" or any equivalent thereof as a distinguishing brand for cigarettes, and that it account for the profits of its sales. As this was the very relief prayed for by plaintiff and the only relief to which it could be entitled, plaintiff gladly acquiesced in the judgment just as it would if the court had regarded the case as one of unfair competition rather than infringement of trade-mark. If the judgment is correct, the reasoning upon which it is based, however erroneous it may be, does no harm, and cannot be made the ground of an appeal. Such an error is clearly not prejudicial to the party in whose favor judgment is rendered. In the event

of an appeal by defendant it is always open to appellee to show that the judgment is correct upon any grounds supported by the record.

> No judgment shall be reversed in a court of errors where it is clear the error could not have prejudiced the rights of the party against whom the ruling was made.
>
> Lancaster *v.* Collins, 115 U. S., 222.
>
> If the decree be correct the party in whose favor it is given has no right to complain.
>
> Corning *v.* Troy, etc., Factory, 15 Howard, 451.

Clearly, therefore, had defendant acquiesced in the judgment, an appeal by plaintiff on the ground that the trial judge should have given different *reasons* for his order for judgment would have been dismissed as presenting a purely academic question. Nevertheless, the decision of the lower court denies to plaintiff the right to be heard to say that the judgment can as properly be upheld on the theory of unfair competition as of infringement of trade-mark, *because plaintiff did not appeal from the judgment rendered in its favor!*

The court says:

> Plaintiff did not appeal from that part of the judgment finding the defendant not guilty of unfair competition; while the defendant appealed from the part founded on the violation of a trade-mark and decreeing a perpetual injunction. Therefore, the question involving unfair competition is not really before us, that count of the complaint founded thereon having been, in effect, dismissed by the trial court, and no appeal having been taken from that dismissal * * * We regard the action * * * as one for the violation of a trade name and not one for the violation of a trade-mark or unfair competition.
>
> (Rec., p. 65).

Notwithstanding this statement and the repetition of the same idea in other words, the court proceeds to express an opinion on the question of unfair competition. It states (Rec., p. 66) and correctly, that relief for the infringement of a trade-mark or a trade name is usually granted upon the theory that plaintiff's property rights in the mark or in the name have been violated, whereas relief against unfair competition is granted upon the theory that defendant's deception constitutes a fraud against the public. Upon this statement of the premises the court below bases the following conclusion:

> From these observations it is a necessary deduction that an action for the violation of a trade name cannot be carried on in conjunction with an action of unfair competition based on a similarity to plaintiff's trade name. If an action on a trade name will lie, then an action of unfair competition based on similarity to the trade name is impossible.

We respectfully submit that this statement of the law is utterly and fundamentally erroneous. It assumes that the law of trade-marks and trade names is something not only different to the law of unfair competition, but that they are mutually antagonistic. On the contrary, no two branches of the law could be more closely related.

> The redress which is accorded in trade-mark cases is based upon the parties' right to be protected in the good will of a trade or business * * * the essential element is the same in trade-mark cases as in cases of unfair competition unaccompanied with trade-mark infringement. In fact, the common law of trade-marks is but a part of the broader law of unfair competition.
>
> Hanover Milling Co. *v.* Metcalf, 240 U. S., 413.

It is often extremely difficult for counsel to determine absolutely whether the facts in a given case are to be regarded as constituting an infringement of a technical trade-

mark or trade name or as unfair competition. The line of demarcation between names and symbols which may be exclusively appropriated and those which may not is by no means sharp and distinct and it would be equivalent to a return to the absurd technicalities of the old common law pleading to compel a man to elect at his peril one or the other of these two possible remedies. Under the code system of pleading in vogue in the Philippines, adopted by copying the California statute, a complaint may contain the statement of as many causes of action as plaintiff may have against a defendant. (Code of Civil Procedure, Sec. 90.) On this very statute it has been held in California, the State of its origin, that a complaint which claims protection against the infringement of a trade-mark or a trade name, and also against the unfair competition of the defendant, and contains allegations of fraudulent acts and intent on the part of defendants, will be sustained, regardless of the validity of or the proprietary rights to the trade-mark or name in controversy.

Pierce *v.* Guitard, 68 Calif., 68.

It is the policy of the law to discourage unnecessary multiplicity of suits. If the theory of the Court below were indeed the law, plaintiff might first bring an action for infringement of a technical trade-mark. If that suit were to fail, it would be still open to plaintiff to institute a second action, on the ground of unfair competition, on the same facts, plus a formal allegation of fraud which might be proved by the mere similarity in the appearance of defendants marks to those of plaintiff. What possible benefit would be gained by this duplication of effort?

POINT SEVENTEEN

THE FACTS ESTABLISHED BY THE EVIDENCE CONSTITUTE UNFAIR COMPETITION ON THE PART OF DEFENDANT.

It is respectfully submitted that apart from the infringement of plaintiff's registered trade name, the conduct of the defendant constitutes unfair competition within the meaning of the Philippine statute as construed in earlier cases by the lower court. It is true that under Section 7 of Act 666 of the Philippine Commission it is necessary in cases of unfair competition, that—

> actual intent to deceive the public and defraud a competitor

must be shown, but the statute also provides that this intent—

> may be inferred from similarity in appearance of the goods as packed or offered for sale to those of the complaining party.

In applying this statute in an earlier case (Alhambra *v.* Mojica, 27 Phil. Reps., 268) the Philippine Supreme Court said:

> It is often said that a fraudulent intent on the part of the defendant to pass his goods off as or for those of plaintiff is necessary to constitute unfair competition. We think the better view is, however, that an actual fraudulent intent need not be shown where the necessary and probable tendency of defendant's conduct is to deceive the public, and pass his goods or business off for that of another, especially where only preventive relief is sought or granted. *Even if the resemblance is accidental and not intentional, plaintiff is entitled to protection against its injurious results to his trade.* (Italic ours.)

In its ultimate analysis the purpose of the law of unfair competition, of which the law of infringement of trade-

marks and trade names is but a branch, is but to require compliance with the dictates of common honesty and fair play. The distinction between the protection of plaintiff's strict property rights in trade-mark and trade-name cases and the protection of the public against deception in the unfair-competition cases rests on no substantial foundation. The suit in unfair-competition cases is always brought and must be brought by the dealer injuriously affected—it could not be maintained, we apprehend, by one of the general public. The plaintiff brings the action because he is entitled to prevent the defendant from deceiving the public—which is only another way of saying the plaintiff has a right to prevent defendant from getting the benefit of his good will, however he seeks to accomplish it. The real basis of the right to maintain the action on the part of the particular plaintiff is the injury to his own business. Where it is shown that that injury is real, that defendant is deliberately taking advantage of the misapprehension he has created in the mind of the public, even if the course of conduct leading to that result was, in its inception, unintentional, it is but fair and proper, as held by the Philippine Court in the Mojica case above cited, to restrain and enjoin a continuation of such conduct, particularly when, as in this case, it is shown by the testimony of defendant's own witnesses that his goods are being sold to consumers who desire to buy and think they are buying the goods of plaintiff.

> It is undoubtedly true that where such secondary signification has been acquired, its use in that sense will be protected by restraining the use of the word by others in such a way as to amount to a fraud on the public and on those to whose employment of it the special meaning has become attached. In other words the manufacturer of particular goods is entitled to the reputation they have acquired and the public

> is entitled to the means of distinguishing between those and other goods; and protection is accorded whether there be a technical trade-mark or not.
>
> Elgin Nat. Watch Co. *v.* Illinois Watch Case Co., 179 U. S., 674.

The fact that the word "Isabelas" is not the trade name deliberately adopted by plaintiff, but is an abbreviation of its official trade name forced upon it by the public does not affect plaintiff's right to protection. Unquestionably the plaintiff is entitled to the use of the phrase "La Flor de la Isabela." As was said in the recent case of Dyment *v.* Lewis, 26 L. R. A. (n. s.), 77, decided by the Supreme Court of Iowa, in which the circumstances in this respect were similar:

> It was due to no fault of his that his patrons designated as the name of his business the "Sioux City Robe & Tanning Company." He had omitted the locality; but because it was in that enterprising city, those dealing with him made use of its name in connection with that voluntarily adopted by him, and he acquiesced therein.

The note to this case in Vol. 26, L. R. A. (n. s.), 73, contains an interesting collection of cases in which the secondary meaning of a word of geographical origin has been protected against unfair competition. It is also interesting as showing the gradual approach of the American courts to the theory of the English courts that where the evidence shows that plaintiff has acquired a right to the use of a geographical name in its secondary sense, as indicating the origin of goods of his manufacture, he is entitled to protection, regardless of the existence of any acutally fraudulent intent on the part of defendant. As was said by Lord Halsbury in North Cheshire, etc., Brewery Co. *v.* Manchester Brewery Co. (1899), A. C., 83, in result it is perfectly immaterial for the purpose of the

decision whether the adoption of the geographical name by the defendants was fraudulent or not.

> The question is whether this is an injury to plaintiffs' right. If it is an injury to plaintiffs' right it is perfectly immaterial whether they intended it or not.

This is practically the same as the doctrine established by the Philippine Court in its construction of the Philippine Trade-mark Act in the Mojica case, cited *supra* (*ante*, p. 90). While that statute requires proof of actual intent to defraud a competitor in unfair-competition cases, the existence of that intent may be inferred from the evidence—indeed, it can of necessity be but a matter of inference at best. The existence of that intent may not have been co-incident with the adoption of the mark, name, or symbol complained of. Conceivably the original use by defendant may have been a mere accidental coincidence. But when his attention has been brought to the fact that his continued use of the mark must of necessity result in damage to his competitor and misunderstanding on the part of the public, his persistence in the use of the infringing word or symbol can but be attributed to a willingness on his part to profit by such misapprehension of the part of consumers, and this in itself constitutes such fraudulent intent as is sufficient to justify the Court in granting the protection of the statute. The fact that the statute expressly authorizes the inference to be drawn from "similarity in appearance of the goods as packed or offered for sale" is not to be construed as prohibiting the Court from drawing the same inference from any other evidentiary fact logically sufficient to warrant the deduction of the existence of fraudulent intent.

The court below (Rec., p. 69) says:

> * * * the ownership of a trade name does not necessarily prevent the owner from bringing an

> action of unfair competition founded on the appearance of the goods of the defendant as exposed for sale, which appearance is not based on similarity to the owner's trade name. Such an action would have to be based on the general appearance of the package, its form, color, style, adornment, and matters of that character; and would not lie on appearances arising from the similarity of plaintiff's and defendant's trade names.

Let us test this theory by giving it application to a concrete case. It is in evidence that there is a large cigarette factory in Manila called "Germinal" (Test. of Mr. Olson, Rec., p. 30). This is the trade name used by the company owning the factory to designate its place of business and used on its wares indicates that they are the product of that factory. Let us suppose that tomorrow a competitor commences to market cigarettes under the trade name of "Germinalcillos"—taking the "Germinal" trade name and by adding the diminutive suffix making a colorable new word. In all other particulars the appearance of the competing wares may be entirely dissimilar. Nevertheless, the appeal of the trade name being to the ear rather than to the eye, many consumers might be induced to accept the "Germinalcillos" believing them to be the product of the old and accredited "Germinal" factory. To refuse protection to the "Germinal" company because the imitation constitutes merely unfair competition in the use of a trade name, upon the theory outlined in the cited portion of the decision below, would be not only to open the door to wholesale fraud of this kind, but would amount to an absolute refusal on the part of the courts to give effect to the legislative declaration (Act 666, Sec. 4) that—

> property in trade names shall be as fully protected as property in a trade-mark.

CONCLUSION.

It is therefore respectfully submitted that the judgment of the Supreme Court of the Philippines should be reversed and that the case should be remanded with instructions for the entry of a judgment perpetually prohibiting defendant and its agents or other representatives from employing or making use of the word "Isabelas" or any equivalent thereof, or of any other word or name confusingly similar thereto, as a distinguishing brand or name for cigarettes manufactured by defendant.

F. C. FISHER,
Counsel for Appellant.

WASHINGTON, D. C., *June 14, 1917.*

[illegible]

October Term, 1915

The Chesapeake Corporation of Virginia,
Appellant,

v.

The Standard Coach and Chassis
Manufacturing Company,
Respondent-Appellee.

Brief for Appellee

Harry W. Van Dyke,
Attorney for Appellee,

Address: [illegible]
Of Counsel.

[illegible]

CONTENTS.

	Page
STATEMENT OF THE CASE	1
ARGUMENT	9
POINT I.—This Court is without jurisdiction to review the decision below in the case at bar	9
POINT II.—Neither of the two counts of the complaint in the case at bar presents a case of violation of plaintiff's rights in a trade-mark. The first count is based on an alleged infringement, not of a trade-mark, but of a trade-name, as to which no infringement has been shown. The second count is based on allegations of unfair competition.	13
POINT III.—The defendant is not shown to have been guilty, and was not in fact or law guilty, of unfair competition	24
CONCLUSION	43

AUTHORITIES CITED.

Page

Liggett & Meyer Tobacco Co. v. *Finzer*, 128 U. S. 182 14
Baxter v. *Zuazua*, 5 P. R. 162, 163 ..... 15, 21, 39
38 Cyc., 678, 693, 695, 769 ..... 18, 19
Yuchausti & Co. v. *Song Fo Co.*, 21 P. R. 283 ..... 22, 23
U. S. v. *Manual*, 7 P. R. 221 27
D. & H. Canal Co. v. *Clark*, 20 L. Ed. U. S. 581 35
Hygeia Distilled Water Co. v. *Hygeia Ice Co.*, 72 Conn. 64 35
Ill. Watch Case Co. v. *Elgin Nat. Watch Co.*, 94 Fed. R. 667 35
Morgan Envelope Co. v. *Walton*, 86 Fed. R. 605 35
Brown Chemical Co. v. *Meyer*, 35 L. Ed. U. S. 247 35
Laughman's Appeal, 128 Pa. 1 35
Hoyt v. *Lovett*, 31 L. R. A., 44 35
Coffman v. *Costner*, 178 U. S. 168 35
Evans v. *Vanlaer*, 32 Fed. R. 153 35
N. Y. & R. Cement Co. v. *Copley Cement Co.*, 45 Fed. R. 212 35
Blackwell v. *Wright*, 73 N. C. 312 35
Elgin Butter Co. v. *Elgin Creamery Butter Co.*, 155 Ill. 157 ..... 35, 40
Pillsbury-Washburn Flour Mills Co. v. *Eagle*, 41 L. R. A. 462 36
French Republic v. *Saratoga Vichy Spring*, 48 L. Ed., U. S. 247 36
Gage-Downs Co. v. *Featherbone Corset Co.*, 83 Fed. 213 36
Joseph v. *Macowski*, 97 Cal. 518 38
Manhattan Medicine Co. v. *Wand*, 27 L. Ed., U. S. 706 38
Connell v. *Reed*, 128 Mass. 477 38
American Cereal Co. v. *Pettijohn Cereal Co.*, 72 Fed. R. 903 38
Prince Mfg. Co. v. *Prince Met. P. Co.*, 135 N. Y. 24 38
Ubeda v. *Zialcita*, 13 P. R., 11 39
Kellar v. *Sanders*, 122 N. Y. 65 39
Keely v. *Hargreaves*, 236 Ill. 316 39
Fox v. *Glynn*, 191 Mass., 344 39
Am. Wire Co. v. *Kohlman*, 158 Fed. R. 830 40
Daviess Dist. Co. v. *Martinoni*, 117 Fed. R. 186 41
Hazleton Boiler Co. v. *Hazleton Tripod Co.*, 142 Ill., 494 41
Cohen v. *Nagle*, 190 Mass., 4 42
Waltham Watch Co. v. *U. S. Watch Co.*, 173 Mass. 85 42
Higgins Co. v. *Higgins Soap Co.*, 144 N. Y. 462 42
Singer Mfg. Co. v. *June Mfg. Co.*, 163 U. S. 169 42

In the Supreme Court of the United States.

OCTOBER TERM, 1918.

THE COMPANIA GENERAL DE TABACOS DE FILIPINAS, *Appellant*,

v.

THE ALHAMBRA CIGAR AND CIGARETTE MANUFACTURING COMPANY.

No. 180.

An Appeal from the Supreme Court of the Philippine Islands.

BRIEF FOR THE APPELLEE.

STATEMENT OF THE CASE.

This case comes to this Court on appeal from the Supreme Court of the Philippine Islands. The complaint of the Compania General de Tabacos de Filipinas, a Philippine cigar and cigarette manufacturing concern that also was engaged in the business of buying and exporting tobacco, copra, hemp, and other products of the country (R., p. 20), was filed in the Court of First Instance of the city of Manila the 30th of July, 1914 (R., p. 1).

It is in two counts. In both it is alleged that the plaintiff and defendant are corporations, the former organized

under the laws of Spain, duly licensed for the transaction of business in the Philippines, the latter organized under the laws of the Philippine Islands. In both counts it is further alleged that plaintiff was, at the time of filing the complaint, and for more than 27 years had been engaged in the business of manufacturing, and marketing throughout the world, cigars and cigarettes, and for that purpose operated a factory known as "*La Flor de la Isabela,*" which designation had been generally and continuously used on the packages and containers of its products.

In both counts it was further alleged that on the 5th of April, 1887, a certificate of registration and ownership of the phrase "*La Flor de la Isabela*" was granted by the Spanish authorities then having jurisdiction in the Philippines, and that said certificate has never been annulled; that the phrase in question was intended originally to refer to one of the provinces in the Philippine Islands ("La Isabela") but that, because of its long-continued and extensive use by plaintiff in connection with the products of the factory mentioned, various abbreviations, including the word "Isabela," had acquired a secondary meaning indicating that the manufactures relative to which it was used were the products of the factory mentioned.

It was further alleged in both counts that on or about the 1st of June, 1914 (about two months before this suit was brought), the defendant "wrongfully and unlawfully appropriated to its own use the word 'Isabelas' in its

secondary meaning and as a distinguishing brand or name of its tobacco products" and that, since said date, the defendant "has been, and now is, engaged in manufacturing, packing, marketing and offering for sale, in the city of Manila and elsewhere in the Philippine Islands, packages of cigarettes under the name and style of 'Isabelas,' and upon which said packages, in addition to the lawful statement that the contents thereof are manufactured from the tobacco of La Isabela Province, the said defendant has caused to appear, in prominent characters, the name 'Isabelas' as the distinguishing brand or name thereof."

At this point the counts diverge. In the first count it is further alleged that such "use of the name 'Isabelas' is calculated to deceive the public into the belief that the goods of the defendant so designated and branded are the goods manufactured or dealt in by this plaintiff;" that such "use will cause the said plaintiff continuous, irreparable and immeasurable injury," and "that, unless restrained and prohibited by the order of this court, the defendant will continue in the unlawful use and employment of said brand or name to the injury of plaintiff as aforesaid."

In the second count it is alleged, in addition to the matter above stated, that "under and in pursuance of the general acceptance of the term 'Isabelas,' as the designation of the products of the factory of this plaintiff, the said plaintiff has adopted and appropriated the

said word 'Isabelas' as a distinguishing brand or name, and, during more than twenty years last past, has been manufacturing * * * and offering for sale certain cigarettes under the name and style of 'Isabelas;' that by reason of the facts aforesaid, the word 'Isabelas' * * * has come to be, and is, the name by which the said cigarettes * * * are usually and generally known and designated."

Then, after repeating the above-stated allegations of the first count with respect to wrongful and unlawful appropriation and use of the word by the defendant, and after alleging that such use was "for the purpose of deceiving the public" and (this in addition to the allegation in the first count) for the purpose of "defrauding this plaintiff of the legitimate trade of the latter," plaintiff prays for a preliminary injunction, to be made permanent in final hearing of the case, and for an accounting and order requiring the defendant to pay to plaintiff double the amount of any profits that may be found to have been realized from the sale by the defendant of any of its cigarettes bearing the name "Isabelas." (R., pp. 1–6.)

For answer the defendant denied all the allegations of both counts, except paragraphs 1 and 2, in which the corporate organization and existence of the parties is alleged. (R., p. 7.)

On the 3rd of August, 1914, the hearing of the case was begun in the Court of First Instance (R., p. 7). On the

24th of August, 1914, the Court announced its decision. "We doubt," said the Court, "that the facts established, under the circumstances of the case, justify the inference of actual intent on defendant's part to deceive the public and defraud a competitor and can, therefore, not find the defendant guilty of unfair competition. The case is rather one of the violation of a trade-mark under the first four sections of Act No. 666 * * *.

"Section 4 of the Act provides that in order to justify recovery for its infringement, registration of the trade-mark need not be known. 'It shall be sufficient to invoke protection of his property in a trade-mark if the party complaining shall prove that he has used the trade-mark claimed by him upon his goods a sufficient length of time so that the use of the trade-mark by another would be an injury to him and calculated to deceive the public into the belief that the goods of that other were the manufactured or dealt in by the complaining party.'" That being the law as to trade-marks, and having held that the facts essential to its application in the case at bar had been proven, the Court granted the injunction, accounting, etc., in accordance with plaintiff's prayer (R., pp. 62–64).

Thereafter, on the 26th of August, 1914, the defendant moved that the judgment rendered be set aside and a new trial granted on the grounds, (1) that the findings of fact were plainly and manifestly against the weight of

the evidence, (2) that the evidence was insufficient to justify the decision, and (3) that the decision was contrary to law (R., p. 64). On the 29th of the same month the motion was overruled (*id*), whereupon the defendant duly noted its exception and gave notice of intention to appeal (*id*).

From the decision of the trial court of the question raised by the second court in the complaint (*i. e.*, the question as to whether or not the defendant had been guilty of unfair competition), plaintiff took no appeal. The case, therefore, went before the Supreme Court of the Islands on the one count. With respect to this, however the latter Court said:

> "Plaintiff did not appeal from that part of the judgment finding the defendant not guilty of unfair competition, while the defendant appealed from that part founded on the violation of a trade-mark and decreasing a perpetual injunction. Therefore, the question involving unfair competition is not really before us, that count of the complaint founded thereon having been in effect dismissed by the trial court and no appeal having been taken from that dismissal. While the Court founded its judgment solely on the theory of a violation of a trade-mark, and although the defendant insisted from the very beginning that the action as set out in the complaint in no possible way involved the question of a trade-mark, nevertheless the Court, as we have seen, proceeded to try and resolve the case on that theory and based its judgment exclusively thereon.

"Defendant now contends that if it appears that the action was not for a violation of a trade-mark, the judgment should be reversed, as it was wholly mislead in its defence and would be seriously prejudiced by the change necessarily resulting. We regard the action, however, as we necessarily must under the statute, as one for the violation of a trade name and not one for the violation of a trade-mark or for unfair competition; but, inasmuch as we find for the defendant on the whole case and reverse the judgment against it, we do not stop to dispose of the question as to whether the theory of the action was changed during or after trial or on appeal so long as the parties have agreed on certain questions which they have submitted and discussed, which questions include all those which can arise whether the action be for a trade name or unfair competition. We prefer to decide the case so as to end the litigation once for all.

"Inasmuch as the plaintiff did not appeal from the judgment dismissing the complaint as to unfair competition, we would be justified in holding that that question is not before us and accordingly in deciding the case from the single viewpoint of a violation of a trade name (not trade-mark); but for the reasons just expressed, we take up both alleged causes of action and decide all the questions presented by both. Plaintiff's claim is this: it has trade-name rights in the word 'Isabela.' The defendant has violated those rights. Plaintiff is entitled to damages on the theory of a violation of a trade name or unfair competition

> or both. Can it recover? We hold that none of these claims have been sustained and that plaintiff is not entitled to recover on any theory mentioned. We proceed to show why." (R., pp. 65–66.)

The decision of the Supreme Court of the Islands, from the opinion in support of which the above is quoted, was rendered the 10th of February, 1916 (R., p. 64). On the 22d of January, 1917, plaintiff petitioned for the allowance of appeal and submitted therewith its assignment of errors (R., pp. 75, 76). On the 24th of the same month the appeal was allowed (R., p. 78). On the 25th bond was filed (R., p. 79) and on the 27th of the same month citation was duly served on the attorneys for the defendant. (R., p. 80.)

ARGUMENT.

POINT I.

THIS COURT IS WITHOUT JURISDICTION TO REVIEW THE DECISION OF THE COURT BELOW IN THE CASE AT BAR.

In its petition for the allowance of an appeal to this Court in the case at bar, plaintiff stated, as the ground on which this Court was believed to have jurisdiction to review the decision of the Supreme Court of the Islands, that the "action is one in which is involved the treaty of the United States with the Kingdom of Spain, executed at Paris on the 10th day of December, 1898, wherein it is provided that the property rights of private establishments or associations having legal capacity to acquire and possess property, and especially the rights of property secured by copyrights and patents acquired by Spaniards in the Philippine Islands at the time of the ratification of said treaty, shall not be impaired."

It is respectfully submitted that in this case the treaty referred to is not involved in any such sense as to give this Court jurisdiction. Section 248 of the Judicial Code—which counsel for plaintiff admits, in the brief filed by him in this Court in the case at bar (p. 11) contains the jurisdiction provision that governs the present appeal, the amendment of September 6th, 1916, having been approved after the decision of the Supreme Court of the Islands was rendered—reads as follows: "The Supreme Court of the United States shall have jurisdiction to review * * *

the final judgments and decrees of the Supreme Court of the Philippine Islands in all actions * * * in which the Constitution, or any statute, treaty, title, right or privilege of the United States is involved," etc.

In the case at bar no question has been raised as to the validity or interpretation or construction of the Treaty of Paris of 1898 or of any of its provisions. Nor is there any contention as to any right or title that plaintiff may have acquired by virtue of the treaty or any statute, law or privilege of the United States. The registration permitted and a grant of title that was made by the Spanish Governor and Captain-General of the Philippines on the 5th of April, 1887 (R., pp. 21, 50), states that plaintiff's manager had proved "in due form and by competent evidence that the said corporation is the sole owner and possessor of the trade names and trade-marks used by it to distinguish the products of the cigar and cigarette factory established by it in this city" (Manila), "the description of which is as follows: (1) Trade names: *La Flor de la Isabela*," etc.

Five other trade names are mentioned, but "Flor de la Isabela" is the only one which is concerned. The certificate then continues "Trade-marks: There is but one for all the products of the factory, a facismilie of which is attached, marked with the letters A and B. It consists of a shield surmounted with a mural crown, divided into four quarters, which contain, in the order in which they are mentioned, a tobacco plant, a brig on the sea with all sails set, a factory building, and several

clumps of sugar cane. In the center there is a shield bearing the arms of the city of Manila. Above and below are two ribbons bearing the name of the company, and on each side the words: 'trade-mark."'

In neither count of the complaint is it alleged that the defendant had appropriated, or made any use whatever, either of the trade name "Flor de la Isabela," or of the trade-mark described above, of any trade-mark belonging to the plaintiff. No such question was raised or contention made in the Courts below. What the complaint does allege is that the phrase "Flor de la Isabela" (or "La Flor de la Isabela," as it is stated in the complaint) had by usage acquired an abreviated form, *i. e.*, the one word "Isabela;" that by that name plaintiff's cigarettes had become known, and that, by its use of that word in connection with its own trade name ("Alhambra Isabelas") and in connection with its own trade-mark, which it was admitted bore no other similarity, the defendant was deceiving the public, etc.

Plaintiff alleged in the complaint and contended in the courts below that although the word "Isabela" was used originally to indicate that the tobacco of which the cigars and cigarettes were made was produced in the Province of Isabela, in the Island of Luzon, the word had acquired a *secondary* meaning that had reference to the manufacture of the goods *by plaintiff* and not to the locality in which the tobacco was grown. The question therefore, was not whether the plaintiff had acquired

any title or right from Spain when it had dominion over the Philippines which by virtue of the treaty could not lawfully be infringed—there was no dispute as to that—but merely whether the use of the word "Isabelas" by the defendant did or did not constitute a violation of that right.

In other words, there was no denial of, or contention with respect to, the right of the plaintiff, under the Spanish registration and by virtue of the treaty to the exclusive use of the trade-mark above described and the phrase or trade name "Flor de la Isabela." The contention was as to the use by defendant of the one word "Isabelas," in its secondary sense; and the word "Isabelas" is not even a part of the phrase "Flor de la Isabela," for in the phrase it is employed in its singular sense and the use charged to have been made of it by defendant was in the plural. Neither the interpretation or constriction of the treaty, therefore, nor the validity of any title or right secured thereunder, is in this case involved; and neither in that aspect of the case nor in any other is there any feature that could confer jurisdiction on this Court.

POINT II.

NEITHER OF THE TWO COUNTS OF THE COMPLAINT IN THE CASE AT BAR PRESENTS A CASE OF VIOLATION OF PLAINTIFF'S RIGHTS IN A TRADE-MARK. THE FIRST COUNT IS BASED ON AN ALLEGED INFRINGEMENT, NOT OF A TRADE-MARK, BUT OF A TRADE NAME, AS TO WHICH NO INFRINGMENT HAS BEEN SHOWN. THE SECOND COUNT IS BASED ON ALLEGATIONS OF UNFAIR COMPETITION.

The defendant maintains that in its first count plaintiff's complaint does not present an action for the infringement of a trade-mark, as held by the trial court, but, as the Supreme Court of the Islands held, presents an action for the violation of a trade name; that even if it be considered as an action for violation of a trade-mark, the evidence is not sufficient to prove such a cause of action, and that if there be no infringement of some specific, definite trade-mark, the order of injunction should be dissolved and the action dismissed. The second count it is clear, is intended to present a case of unfair competition.

The complaint is lacking in all the essentials of a charge of violation of a trade-mark. It neither describes nor sets forth as an exhibit any trade-mark of the plaintiff alleging it to have been imitated or used by defendant. It neither describes nor sets forth as an exhibit any trade-mark alleging the same to have been used by defendant,

and to have been an imitiation of, or to bear any resemblance to any trade-mark of the plaintiff. Nothing has been presented by the complaint to the Court, for the Court to inspect, compare and determine whether there has been any unlawful imitation, or whether there exists any deceptive resemblance between plaintiff's trade-mark and defendant's trade-mark. *No trade-mark of any description has been made an issue in the case at bar*, and therefore cannot be decided by the law regulating and applicable to the violation of trade-marks. (Act No. 666 of the Philippine Commission, Secs. 5–9.)

Again, defendant has, in truth, made use of no trade-mark bearing any resemblance to any trade-mark of the plaintiff by which the public may possibly be deceived or the plaintiff defrauded. The defendant has in no case, and in no manner attempted so to clothe its merchandise as to resemble that of plaintiff, nor to pass off its goods upon the public as the goods of the plaintiff, and nothing it has done would tend toward that result. The trade-marks used by plaintiff and defendant are wholly different and distinct, and bear not the least resemblance to each other. (See the original exhibits sent up with record in the case.)

The best proof of the violation of a trade-mark is a comparison of the two trade-marks put at issue by a proper and sufficient complaint.

In Liggett & Meyer Tobacco Co. v. Finzer, (128, U. S., 182, Quoted in 13 P. R., 149) the Court said:

> "The judgment of the eye upon the two is more satisfactory than evidence from any other source as to the possibility of parties being misled so as to take one tobacco for the other."

In Baxter et al v. Zuazua et al, (5 P. R. 163) the court said:

> "The alleged similarity or resemblance between the labels is a question of fact which can be decided by a mere inspection of the same."

In the case at bar, the plaintiff does not pretend there exists any resemblance between the trade-marks of the parties to the case, except that resulting from the pronunciation of the word "Isabelas." Plaintiff claims only an exclusive right to the *sound* produced when the word "Isabelas" is uttered. Arguing its case as one of "unfair competition," the plaintiff in its brief filed in the Court of First Instance, (page 14) says:

> "There are different methods of deceiving the consuming public as has often been pointed out. The imitation of general appearance deceives the eye; but the public may be deceived through its sense of *hearing* as well as through its sense of sight. That a person who has seen and has once identified the packages of both plaintiff and defendant will not mistake one for the other, is no defense; it merely proves that the unfair competition of defendant *does not consist* of an imitation of the general appearance of the plaintiff's package. The gist of the

> *unfair competition* here, is that defined in the adoption of a term which has become identified with plaintiff's products and indicates falsely that the so-called "Isabela" cigarettes are the products of the plaintiff's factory..... The essential fact is that confusion results from the use by the defendant of a name so closely identified with plaintiff's wares."

This quotation should make unmistakably clear four points of the present controversy; first, what the defendant is now trying to present, to wit: that there is presented to the eye no similarity, deceptive or otherwise, on a comparison of any of the trade-marks of the litigating parties; second, that there is no ground for any action for a violation of a trade-mark; third, that there was no intention on the part of the plaintiff to present a complaint for the violation of a trade-mark; and fourth that the action can justly be considered as nothing more than an action for unfair competition based upon Act 666.

The Court of First Instance in its Decision, says:

> "That about June 15th of this year, the defendant began to manufacture and offer for sale a cigarette styled "Isabelas," the labels of the packages in addition to that name also containing the name "Alhambra" in large type; and that there is otherwise no misleading resemblance of the packages and labels to those of the plaintiff."

The Court could, with equal accuracy, have added that *defendant's* label was in fact a trade-mark duly registered in the Division of Archives of the Philippine Islands; that it was formed of two wide golden bands between which was a dark blue band of equal width, and that there was imprinted thereon a crown and shield and the words "*Alhambra* Isabelas" in large letters, and in equally distinct letters the following "*30 cigarrilols de calidad superior.—Hechos puramente con hojas escogidas de la Isabela, garantizados por Alhambra Cigar & Cigarette Manufacturing Company, Manila,* (R., p. 60) all of which, *in its entirety,* constitutes a single emblem and device—a completed trade-mark which was applied to a number of cigarettes in the form of a package wrapper. A full description of this trade-mark, and an ocular inspection of the same will demonstrate that it *is not an imitation of any trade-mark ever used by plaintiff* and that it is "not calculated to deceive the public into the belief that the goods of the defendant are the goods manufactured or dealt in by the complaining party." It will demonstrate further that defendant, in the use of this particular trade-mark, has not used the word "Isabelas" as a distinguishing brand or name for cigarettes, but that it has used a *distinctive, specific* and *complete symbol* for its brand, of which the word "Isabelas" is but a small and insignificant part.

A closer analysis of the finding just quoted will show that the Court has not found expressly that the use of the word "Isabelas" with the addition of the word "Alhambra" in large type on defendant's label forms or creates any misleading resemblance of its packages or labels to those of the plaintiff. Such a finding is deduced only by a possible inference. The defendant has not used alone the word Isabelas, but an emblem made of many figures, words, colors and devices, arranged in a distinctive manner, the whole forming in itself an entity.

A trade-mark is a name, embelm, sign or device employed to designate the goods dealt in or manufactured by a person for the purpose of enabling the public to recognize such goods and to distinguish them from the goods or manufactures of another. (See Act. 666, Sec. 1.)

In Vol. 38, Cyc. 678, a trade-mark is defined thus:

> "A trade-mark may be defined as a name, sign, symbol, or device which is *attached to goods* offered for sale in the market so as to distinguish them from similar goods, and to identify them with a particular trader, or with his successor, as owners of a particular business, as being made, worked upon, imported, selected, certified or sold by him or them. It has been aptly described as the commercial substitute for ones own autographic signature, certifying to the genuineness of *the goods to which it is affixed.*"
>
> "The sole office or function of a trade-mark is to indicate the origin or ownership of the goods to

which it is *affixed* and *thus* to distinguish the goods of one person from those of another."

In the same Vol. 38, Cyc., page 693, it is said:

"In order to become a valid trade-mark, the name or mark must be in some way *physically attached* to the goods, and *go with them into the market.* Used only as a name or sign upon a place of business or in advertisements, circulars and other similar ways, without being actually affixed to the goods is insufficient to constitute the marks so used valid trade-mark. It is sufficient, however, if the mark is *affixed* either upon the goods, themselves, or upon the package or wrapper containing them or in any other way *physically attached* to the goods."

In 38 Cyc., page 695, it is said:

"Any word, mark or device used for the primary purpose of identifying *specific* goods as being of a definite origin or ownership may constitute a valid trade-mark, if *adopted and used as such, provided* they are such as may be exclusively appropriated without prejudice to the rights of others. No sign, or mark, or form of words can be appropriated as an exclusive trade-mark which from the fact conveyed by its primary meaning others may employ with equal truth and equal right for the same purpose; moreover, a trade-mark must consist of some *definite* word, sign or device."

It may be seen from the definition of a trade-mark and from a comprehension of its uses, that a trade-mark is a

definite, specific, exact, complete, tangible and visible thing, that may be examined and compared, and attached to goods for the purpose of identifying them, and which remains affixed to the merchandise and goes with it into the hands of the consumer. If we once understand the meaning and uses of a trade-mark we must see inevitably that no *secondary meaning* of any word can be reduced to any form or be imprinted upon any label so that it can be affixed to a package of merchandise. *A word in its secondary meaning can not be the subject of a trade-mark.* So to contend is absurd.

Yet this is the absurdity the plaintiff asked the Supreme Court below to adopt and confirm as the consummate wisdom of the Philippines. A single word may be so formed and impressed upon a label as to constitute a valid trade-mark. But the secondary meaning of that word can in no way be portrayed or made to adhere to the label. Every trade-mark is exactly what it appears to be to the eye and no more. There words are used in their primary sense alone. They import no wonderful imaginary concept. The use of a word in its secondary sense as a trade-mark is an impossibility.

Upon the trade-mark of the defendant—though this is not true of the trade-mark of the plaintiff, in which, not the single word "Isabela," but the phrase "La Flor de la Isabela," is used (R., pp. 24–5)—the words are used only in their primary sense. In the defendant's trade-

mark, the word "Isabela" is truthfully used to tell that the product of which the cigarettes are composed is from Isabela Province. Its sole purpose is to describe the quality of tobacco used. [S. N. 57, 65.]

The plaintiff has never used the word "Isabelas" as a trade-mark or as a brand for its wares. The most that plaintiff can legitimately claim is the right to the inscription "La Flor de la Isabela" as the name of its factory. This is not the corporate name. That is La Compania General de Tabacos de Filipinos, known in its abbreviated form, sometimes, as The Tabacalera.

A trade-mark must be considered as a whole. It is not separable. It cannot be divided into sections or separate words. Any division of it will destroy its character as a trade-mark. It is a fixed, unchanging entity, void of any double meaning. Even if plaintiff has a right to the exclusive use of the phrase "LA FLOR DE LA ISABELA," the name of its factory, it does not follow that it has an exclusive right to the use of any of the words contained in the phrase independently as a trade-mark. Parts of a trade-mark are not the trade-mark. Also having a right to use the phrase as a trade name as the name of a factory, it does not follow as a consequence that plaintiff has any legal exclusive right to use the phrase or the words composing it as a brand or trade-mark for packages of cigarettes.

Baxter et al. v. Zuazua et al., 5 P. R. 162, 164.

"This Court has said in the case of Inchausti & Co., v. Song Fo Co. 21 P. R. 282, that, "The component elements of a design are not to be considered separate and apart; we must look to the design as a whole; to the combination of those component parts.'"

Section 2 of Act. 666, provides that:

"Anyone who *produces or deals* in merchandise of any kind by actual use thereof in trade—may appropriate to his exclusive use a trade-mark, not so appropriated by another, to designate the *origin* or ownership thereof: Provided, That a designation or part of a designation which relates only to the name, quality, or description of the merchandise or geographical place of its production or origin can not be the subject of a trade-mark."

This section expressly authorizes, the use of the trademark devised by the defendant, and it denies the absolute right of the plaintiff to the word "Isabela" that it contends for.

In order for the plaintiff to establish a case against defendant for the violation of a trade-mark it would be necessary for the plaintiff to prove:

1. That he is entitled to the exclusive use of the trademark, and that the device and word or phrase selected is lawfully subject to appropriation as a trade-mark. (Act 666, Sec. 3.)

2. That plaintiff has registered or made use of, for a long time upon his goods, the specific trade-mark made an issue by the complaint. (Act. 666, Sec. 4.)

3. That the defendant has sold goods of a similar kind bearing such trade-mark, or one so closely resembling it as to be for all practical purposes of deception identical. (Act 666, Sec. 3.)

Inchausti & Co. v. Song Fo Co. 21 P. R., 283, 286.

4. That the use of the identical trade-mark by defendant would be "calculated to deceive the public into the belief that the goods of the defendant were the goods manufactured or dealt in by the plaintiff," (Act. 666, Sec. 4).

Whether the issue be one of a trade-name or a trade-mark the law requires the same class and the same completeness and certainty of proof. Plaintiff has not proven any ultimate fact necessary to establish a case for the violation of a trade-mark or a trade-name.

POINT III.

THE DEFENDANT IS NOT SHOWN TO HAVE BEEN GUILTY, AND WAS NOT IN FACT OR LAW GUILTY, OF UNFAIR COMPETITION.

Whether the action be for a violation of a trade-mark, a trade-name or for unfair competition the gist of the offense is the same in any case. The offense consists of an intentional deception of the public and a fraud upon a competitor, effected by so clothing a similar class of goods, that by their general appearance the public is thereby deceived into believing them to be the goods of the competitor while the guilty one reaps a profit from his rival's good reputation.

In Act. 666, section 7, the offense of unfair competition is defined, thus:

> "Any person who in selling his goods shall give them the general appearance of goods of another manufacturer or dealer, either in the wrapping of the packages in which they are contained or the devices or words thereon, or in any other feature of their appearance, which would be likely to influence purchasers to believe that the goods offered are those of a manufacturer or dealer other than the actual manufacturer or dealer, and who clothes the goods with such appearance for the purpose of deceiving the public and defrauding another of his legitimate trade,.....shall be guilty of unfair competition,..... This section applies in cases where

the deceiptful appearance of the goods, misleading as to origin or ownership, is effected not by means of technical trade-marks, emblems, signs, or devices, but by the *general* appearance of the package containing the goods, or by devices or words thereon, even though such packages, devices or words are not by law capable of appropriation as trade-marks; and in order that the action shall lie under this section actual intent to deceive the public and defraud a competitor shall affirmatively appear on the part of the person sought to be made liable, but such intent may be inferred from similarity in the appearance of the goods as packed or offered for sale to those of the complaining party."

Act 666, Sec. 9, contains this further provision which is peculiarly applicable to the case at bar:

"No action or suit, or criminal prosecution shall be maintained under the provisions of this chapter in any case where the violation of the trade-mark or trade-name or the unfair competition complained of has been in any way unlawful business, or with respect to any article, trade in which is unlawful, or is against public policy, or in any case where the trade-mark, trade-name, or the indicia of origin, ownership, or manufacture have been used by the complaining and injured party for the purpose of himself deceiving the public with respect to the character of the merchandise sold by him or the business or profession or occupation carried on by him."

The foregoing is the law under which the plaintiff must, if at all, establish a case of unfair competition.

Like in an action for violation of a trade-mark plaintiff is called upon to make a comparison between his goods as prepared for the market and those of the defendant, to determine whether there is in the *general appearance* of the competing articles such a likeness or resemblance as is calculated to cause the public to mistakenly buy the defendant's goods, when intending to buy the goods of plaintiff.

The similarity between the packages must be such as to deceive the *ordinary purchaser* in the *usual and ordinary course of business*. It is not enough that the examination may disclose differences in the appearance or in a design, to save the intentional imitator. Neither is it enough to entitle plaintiff to relief that there may be something of similarity discovered in some detail by the diligent searching and scrutiny of one paid and determined to find a point of resemblance. The resemblance must be apparent and calculated to deceive the consuming public. It must be a resemblance of the *goods as prepared and packed for the* market, a likeness apparent to the eye and deceptive because of its similarity, a resemblance of the *whole package* and not of some detail.

There is no unfair competition if the package as a whole bears distinguishing features, and such distinctive characteristics and such words, and marks, and devices and

coloring as to clearly identify the goods as that of the real owner. If an entity it is not calculated to deceive, there can be no unfair competition.

The Court has said in U. S. vs. Manual, 7 P. R. 221, and quoted with approval in 21 P. R. 285, that:

> "The true test of unfair competition is whether certain goods have been intentionally clothed with an appearance which is likely to deceive the ordinary purchaser exercising ordinary care, and not whether a certain limited class of purchasers with special knowledge not possessed by the ordinary purchaser could avoid mistake by the exercise of this special knowledge."

Also a true test is not whether a certain limited class of interested experts with special knowledge not possessed by the *ordinary purchaser* could by careful scrutiny discover some word (not similar in appearance or meaning), which when uttered has a sound with some elemental resemblance to some single word (not a phrase) found on the package of another.

The resemblance that the law speaks of in Act 666, and which is the basis of all unfair competition, is a *resemblance in the general appearance* of the goods as wrapped and packed ready for sale, discernible to the eye, and likely to deceive the purchaser.

There can be no grounds for unfair competition unless there be *actual intent* to deceive the public and to defraud a competitor. The goods must be clothed with such

similar general appearance for the *purpose* of deceiving and defrauding. Unless such purpose and such intent to deceive and defraud affirmatively appear from the evidence there can be no valid finding of unfair competition though it is true that—

> "Such intent may be inferred from the similarity in the appearance of the goods as packed or offered for sale to those of the complaining party." (Act 666, Sec. 7.)

And whether this action be one of unfair competition or one for the violation of a trade-mark or a trade-name the issue at last is this, whether the goods of defendant as packed for sale have such a likeness and similarity in appearance as is "calculated to deceive the public into the belief that the goods of that other were the goods manufactured or dealt in by the complaining party."

The plaintiff has failed in every point incumbent on him to prove in an action for unfair competition.

It has failed to prove any *exclusive right* to any design, label, trade-mark or wrapper for cigarettes, in any respect resembling that used by defendant.

It has failed to prove any resemblance in general appearance of any of its goods packed and offered for sale.

It has failed to prove that the ordinary purchaser could possibly be deceived by any similarity appearing upon the goods marketed by either party.

It has failed to prove any purpose or intent on the part of defendant to deceive or defraud.

It has failed to prove that it has suffered any damage.

Plaintiff claims an absolute, exclusive right to the use of the word "Isabela."

Isabela is the name of a province of the Philippines from which a superior grade of tobacco is produced. This tobacco is widely and generally known as Isabela tobacco. This tobacco is not the product of one hacienda or of one producer, but its culture is extensive and the dealers in it are numerous. Plaintiff has no monopoly of Isabela tobacco. Isabela is a geographical name and in its primary and descriptive sense it is publici juris, and all the world may use it. (R., pp. 37, 39, 45.

By the terms of section 2, Act 666, the word Isabela cannot be made a trade-mark. It is there provided:

> "That a designation or part of a designation which relates only to the name, quality or description of the merchandise, or geographical place of its production or origin cannot be the subject of a trade-mark."

It is apparent that the word Isabela could not be used exclusively as a trade-mark any more than could the words Kananga, Coffee, Sugar, Havana or Tobacco.

So also, the royal decree of Oct. 26th, 1888, referred to by this Court in vol. 5, P. R., 164, "provided that the denominations generally used in commerce for the purpose

of designating a class of goods could not be the subject of labels or trade-marks.''

No prior royal decree and no certificate of the soveringty of Spain ever gave or had the power to give the plaintiff any exclusive right to the word Isabela. The certificate of April 5th, 1887, offered in evidence by plaintiff does not give, nor purport to give plaintiff any exclusive right to the word Isabela. It pretends to give plaintiff the right to use the phrase ''La Flor de la Isabela,'' nothing more and nothing less, as a trade-name for a factory. It confers no right to the separate component parts of this phrase.

Spain had no authority to grant a title to the word Isabela. Spain had no more power to give a deed to the words of the lexicon, than to the letters of the alphabet. What Spain did not own she could not sell or give to another.

Plaintiff has never acquired title to the word ''Isabela'' for any purpose by long use. It has never used the word Isabela as a trade-mark or a trade-name. No cigarettes have ever issued from its factory wrapped and packed for sale on which the words ''Isabelas'' appeared as the distinguishing feature or mark of identification. Certainly plaintiff will claim no natural superior right.

The evidence offered in the case is insufficient to prove that the word ''Isabela'' has ever acquired a secondary meaning at the hands of plaintiff. If any secondary

meaning has attached to the word it is emphatically of a general and public character, meaning the tobacco product of Isabela Province, and this is as much *publici juris* as is the word in its primary signification. It is as much and truly so as when in using the word "Havana," we mean thereby a cigar made of Cuban tobacco.

The principal dealers in tobacco in Manila did not know plaintiff's product as Isabelas.

Plaintiff's witness, C. Hess, did not know plaintiff's product as Isabelas. Asked if given a cigar or cigarette and being told "it was an Isabela cigar or cigarette, would you have any impression from that statement as to what factory it came from?," he answered, "no, I would not have" (R., p. 11). He further declared that the people he dealt with do not generally refer to the cigars and cigarettes of the Tabacalera factory as Isabela cigars or Isabela cigarettes. The people buying cigars at wholesale did not use the abbreviation "Isabela."

Plaintiff's witness, E. E. Elser, being asked, "Is that name 'La Flor de la Isabela' ever abbreviated?," answered, "That I could not say, Mr. Cohn." (R., p. 11.) This witness labored under the false impression that the Tabalacera Company controlled the output of Isabela tobacco. (id., 13, 63, 67.)

Plaintiff's witness, T. D. Figueras, being asked, "What cigarettes do you smoke?", answered, "I smoke Tabacalera, Insular. I smoke different kinds; when I get tired I

change." (R., p. 19.) Again being asked, "Do you ever smoke Isabela cigarettes?", answered, "I smoke *Tabacalera* or *Flor de Isabela*." (id.) This witness seems to have momentarily forgotten that there was such a thing as Isabela cigarettes. Such an expert merchant, it seems, would have heard of the Tabacalera Isabelas if such were generally known.

Plaintiff's star witness,—Atonio Malvehy, Secretary of the Compañia General de Tabacos de Filipinas, who swore to the complaint and testified at the trial.

Mr. Malvehy's testimony, in essence, amounts to no more than this: that plaintiff has made and sold certain cigarettes of mixed tobaccos (R., p. 20 *et seq.*), denominated "Cortos," "Largos" and Entrelargos." That they have never had any other name, that their customers order them by the name of Isabela Costos, Isabela Largos and Isabela Entrelargos, that the name of the factory is "La Flor de la Isabela," and that this name "is used in all that refers to the factory as well as its products, it is on our letter heads, invoices, packages, etc.," he says. Plaintiff has never changed its labels from its crude old form, because that is well known and plaintiff wishes to continue it.

If all Mr. Malvehy has testified to be, for the purpose of the argument, admitted as literally true and unexaggerated, plaintiff has no ground of action against defendant. The designating names of its cigarette products

are "Cortos," "Largos" and "Entrelargos," in exactly the same sense as cigars on the market are named Perfectos, Londres Excelentes, Especiales, Bellezas, etc. None of its cigarettes have been named "Isabelas" or Isabela Isabelas.

It seems strange, too, that such dealers as W. E. Olsen, F. W. Prising, C. Piderit and J. C. Hoffmeister should not know of any general use of the word "Isabelas" to distinguish plaintiff's output of cigarette packages.

Mr. Olsen declares that plaintiff's cigarettes "are usually called for in the trade Tabacalera Cortos and Tabacalera Largos." (R., p. 30.) He says further that tobacco put up for export is usually marked with the provincial classification, as 4th Cagayan, 4th Isabela, etc. with the year. (id. p. 31.) Such is the general use of the word Isabela and it in no respect relates to or suggests any factory.

Mr. F. W. Prising, a tobacco merchant of nearly 16 years' experience in the Philippines, being asked, "Did you ever know of any cigarettes on the market here known as Isabela before those put on the market by the Alhambra?," answered, "Not by Isabela itself, Isabela Cortos and Isabela Largos, yes." (R., p. 35.) This witness testifies that the consumers know and call for plaintiff's cigarettes as *Isabela Cortos* or *Isabela Largos* or *Isabela Entrelargos* or as *Tabacalera Entrelargos*, usually "Tabacalera Entrelargos", and that if people called for "Isabelas" you would not know what they wanred without further questioning. (*Id.*, p. 36.)

John C. Hoffmeister, a tobacco merchant, resident of Manila for 18 years, testifies that he never saw and never heard of any cigarettes known as "Isabela" or "Isabelas" before the "Alhambra" put its product on the market. (R., p. 39.)

It thus appears that the merchants of Manila never knew of plaintiff's use of the word "Isabelas" as a brand, trade-mark or distinguishing name for its cigarettes. Turning from the dealers in tobacco to the consumers we find an equal ignorance on their part of any cigarettes being called "Isabela" prior to the output of the "Alhambra."

Jose McMiking had never heard of such (R. pp. 45, 46). Benito Blanco has never heard of such (R. p. 46).

Argument that plaintiff has never gained any right to the word "Isabelas" by use would be superfluous; the testimony refutes the pretention. "Isabelas" has never come to indicate or designate any of plaintiff's goods to the public. The name Isabelas has never become identified with plaintiff's cigarettes. The generally accepted use of the word Isabela is its application to the entire tobacco product of Isabela Province. To entitle plaintiff to any exclusive right to the secondary meaning of a word, it must plainly appear that plaintiff has *created* that secondary meaning, and has *adopted* and generally used it in that same secondary sense.

This proposition will not be disputed, that "as a general rule geographical terms are common property which all

may use, but which none may exclusively appropriate or acquire as absolute individual property."

Del. & H. Canal. Co. v. Clark, 20 L. Ed., U. S., 581.
Hygeia Distilled Water Co., v. Hygeia Ice Co., 72 Conn. 64.
Columbia Mill Co. v. Alcorn, 37 L. Ed., (U. S.) 1144.
Ill. Watch Case Co. v. Elgin Nat. Watch Co., 94 Fed. 667.
Morgan Envelope Co. v. Walton, 86 Fed., 605.
Brown Chemical Co. v. Meyer, 35 L. Ed. 247.

"No one can apply the name of a district or country to a well known natural product of that locality, and obtain thereby such an exclusive right to the application as to prevent others inhabiting the district or dealing in a like product coming from the district, from truthfully using the same designation."

Del. & H. Canal Co. v. Clark, 20 L. Ed. (U. S.) 581.
Laughman's appeal, 128 Pa. 1; 5 L. R. A. 599.
Hoyt v. Lovett, 31 L. R. A. 44.
Coffman v. Costner, 178 U. S., 168; 44 L. Ed. 1021.
Evans v. Vanlaer, 32 Fed., 153.
N. Y. & R. Cement Co. v. Copley Cement Co., 45 Fed. 212.
Blackwell v. Wright, 73 N. C., 312.
Elgin Butter Co. v. Elgin Creamery Co. 155 Ill. 157; 40 N. E. 616.

If plaintiff has ever used the word "Isabela" on its cigarettes, as it pretends, it has been, admittedly, in only a fanciful, arbitrary and fictitious sense. The testimony of plaintiff's manager (R., p. 26) and the finding of the Trial Court (R., p. 62) is to the effect that plaintiff *does not use Isabela tobacco in its cigarettes.* Plaintiff's factory is not located in Isabela Province, and it does not use Isabela tobacco in its cigarettes. Its pretended use is plainly deceptive and a fraud upon the public.

The right of a user of a geographical name in a fanciful sense is not the same as the rights of a user of the same word in a true descriptive sense. The law is more favorably construed and enforced in favor of the honest user, in a truely descriptive sense. The Courts will quickly protect a resident of a locality, or the honest user of a product from a locality, in the use of the local name against the use of the same name simulated by a non-resident.

See:

Pillsbury-Washburn Flour Mills Co. v. Eagle, 41 L. R. A. 462.

French Republic v. Saratoga Vichy Spring, 48 L. Ed. 247.

Gage-Downs Co. v. Featherbone Corset Co., 83 Fed. 213.

All users of geographical names as trade-marks or trade-names, adopt the same subject to the truthful and honest use of any subsequent competitor who does not inten-

tionally clothe his goods like the first for the purpose of deceiving and defrauding. It has been well said that:

> "The confusion naturally resulting from the truthful use of a geographical name by a second producer to designate a natural or manufactured product of that locality furnishes no ground for equitable relief, since to hold otherwise would be to uphold an exclusive right to the use of a name which is not the subject of exclusive appropriation. The resulting injury to the first appropriator is a penalty which he ought to suffer for chosing as his trade-mark a word which it is well settled cannot be appropriated as such."
>
> 45 L. Ed., (U. S.) 381 note.

The gravamen of unfair competition consists in the dressing up of goods by one person so as to represent them to be those of another.

> "And to constitute unfair competition by the use of a geographical name as the designation of a commodity it would seem that where it is not untruthfully used as by a resident of another place or upon a product not of such locality, such use must include the simulation of other distinguishing feature of the "dress" of the complaining manufacturer's goods, the mere use of the name alone in such cases, it is submitted, not being sufficient to satisfy the requirement which all the cases make, that it be so used as to misrepresent the origin of the product."

The affirmative distinguishing features upon defendant's

labels are markedly conspicuous and do not have to be searched for. The resembling features have to be found in the imagination; the similitude is wholly a creation of the fancy—a fantastic illusion.

Plaintiff's use of the word "Isabela" on its cigarettes is a fraud upon the public. Whether intentional or not it has led the public falsely to believe its product to have come from Isabela province.

Equity will not interfere to protect the fraudulent use of a geographical name. A mark that conveys a false impression of the origin and quality of a manufactured product will not be protected. The misrepresentation and falsity may be implied from the words used.

> Joseph v. Macowsky, 97 Cal., 518.
> Manhattan Medicine Co. v. Wand, 27 L. Ed., 706.
> Connell v. Reed, 128 Mass. 477.
> Am. Cereal Co. v. Pettijohn Ce. Co., 72 Fed., 903.
> Prince Mnfg. Co. v. Prince Met. P. Co., 135 N. Y. 24; 31 N. E. 990.

The fraudent use of the word "Habana" on a label for cigars made in Mexico was considered to defeat the manufacturer's right to register as a new mark this label with the true place of origin substituted for "Habana." Note, 45 L. Ed., 376.

Plaintiff's deceptive, misleading and fraudulent use of the word "Isabela," by which the public are deluded and defrauded, precludes it from any right to enjoin another from a truthful and honest descriptive use of the word.

Plaintiff should come into Court with a clean hand and an honest purpose, not asking the Court to aid in it perpetuating a fraud and in creating a monopoly.

Baxter v. Zuazua, 5 P. R., 160.
Ubeda v. Zialcita, 13 P. R., 11.
Keller v. Sanders, 122 N. Y., 65; 25 N. E., 235.
Keely v. Hargreaves, 236 Ill., 316.
Fox v. Glyn. 191 Mass., 344; 78 N. E., 89.

The use of the geographical designation of a locality from which the principal material of a manufactured article comes will not be enjoined where the great element of value of the manufactured article consists in the locality of the principal material of which it is composed.

Gabriel v. Sicilian Asphalt P. Co., 23 Misc. (N. Y.) 534.

In an action for unfair competition the *intent* to deceive and defraud must affirmatively appear. A purpose to defraud is the essence of unfair competition. This action rests on the theory of intentional false representation, and this is the principal distinction between an action to protect a trade-mark from infringement and an action to protect against unfair competition.

A trade-mark may be infringed innocently through accident or ignorance. Yet imitation will be enjoined and actual damage awarded. But where it is sought to enjoin the use of a geographical name by a rival on the ground of unfair competition, it must appear that such use is with the *fraudulent intent* to *deceive* the public, amounting to

a false representation as to the origin of the article with reference to which the name is used. Such a deceiptful representation must be proved by direct evidence, or be fairly inferable from the likeness of the dress and appearance of the goods when packed and branded for sale.

> Am. Wire Co. v. Kohlman, 158. Fed., 830.
> Elgin Butter Co. v. Elgin Creamery, Co., 155 Ill., 127; 40 N. E., 616.

One person has as much right to sell his goods as has another. The law does not favor monopoly or restraint of trade. It only prohibits the fraudulent "dressing up" of goods and their fraudulent sale as that of the goods of a competitor.

In the case at bar there is no affirmative proof of intent to deceive or to defraud; there is positive proof of the contrary. Intent cannot be inferred for there is an absolute and emphatic dissimilarity in the appearance of the goods as put upon the market.

In no single instance has a purchaser been deceived, nor has the goods of defendant ever been "palmed off" on the public as the goods of the plaintiff. No package of defendant's goods, bearing even a remote resemblance to those of plaintiff or calculated by any likeness of appearance to deceive, has been offered in evidence. A mistake as to the origin and identity of defendant's goods is impossible. Neither an old customer of plaintiff nor a new intending customer could be deceived. Neither a literate

nor illiterate one could be deceived by any resemblance. Deception will not be the natural nor probable result.

Plaintiff has proven neither loss nor damage, nor anticipated injury. Its damage is imaginary, speculative, conjectural and impossible.

> "Where it appeared that at the time of the adoption of such words as 'Kentucky Club Bourbon' to designate a brand of whiskey, the complainant was selling in that locality very little if any whiskey branded 'Kentucky Club,' and its product was but little known therein, and it did not show that it had lost any sales by reason of the adoption by another of a similar name, and no damage to it by the alleged invasion of private rights was shown, the elements of an action for unfair competition were wholly wanting."

Daviess Dist. Co. v. Martinoni, 117 Fed., 186.

The law is stated thus in 38 Cyc. 796:

> "Where a subsequent trader has acted honestly, and has sufficiently discharged the duty resting upon him to affirmatively distinguish his goods or business, and has made no unnecessary or untruthful use of names or marks previously identified with a rival trader, any loss or damage caused by the mere use of words or marks which are *publici juris* in their primary sense is 'dannum absque injuria' for which no action lies."

Hazelton Boiler Co. v. Hazelton Tripod Co., 142 Ill. 494; 30 N. E., 339.

Cohen v. Nagle, 190 Mass. 4; 2 L. R. A. (N. S.) 964.
Waltham Watch Co. v. U. S. Watch Co., 173 Mass., 85; 53 N. E., 141.
Higgins Co. v. Higgins Soap Co., 144 N. Y., 462; 39 N. E., 490.
Singer Mnfg. Co. v. June Mnfg. Co., 163 U. S., 169; 41 L. Ed., 118.

With whatever perspective this matter may be viewed it becomes at once apparent that plaintiff has no ground for action.

Viewed as a trade-mark case, the complaint makes no trade-mark an issue; no trade-marks are offered for comparison; no resemblance between trade-marks is proven; the judgment identifies no trade-marks and the order of the Court orders the discontinuance of no trade-mark. Plaintiff has proven no exclusive right to any trade-mark.

Viewed as an action for unfair competition, the plaintiff has proven no exclusive right to any word; it has proven no secondary meaning as having attached to any word; it has not proven its use of any word in its secondary sense upon its goods; it has not proven any imitation or resemblance between its marks of identification and those of defendant, or any deceptive likeness between its goods as offered upon the market and those of defendant as packed for sale; it has proven no intent to deceive, affirmatively nor inferentially, by a resemblance in the appearance of defendant's goods; it has proven no instance of

mistaken identity of goods, and no similitude calculated to deceive any person; it has proven no loss and no probable loss.

On the other hand the word it claims exclusive right to is a geographical word and is *publici juris*; plaintiff has never used this word as a trade-name, trade-mark, or mark of identification of any of its products. The public know the word only as the name of a Philippine province, and as a kind and quality of tobacco.

CONCLUSION.

We have not thought it necessary to go into anything more than the general features of the argument in the case because the opinion of the Supreme Court below considers in detail the arguments presented at the hearings already had. For the reasons stated in the opinion and those stated above, the case should be dismissed for lack of jurisdiction in this court, or else the judgment of the Supreme Court of the Islands should be affirmed.

Respectfully submitted,

HARRY W. VAN DYKE,
Attorney for Appellee.

EDMUND W. VAN DYKE,
Of Counsel.

43

COMPAÑIA GENERAL DE TABACOS DE FILIPINAS *v.* ALHAMBRA CIGAR & CIGARETTE MANUFACTURING COMPANY.

APPEAL FROM THE SUPREME COURT OF THE PHILIPPINE ISLANDS.

No. 180. Submitted January 22, 1919.—Decided March 3, 1919.

An appeal from the Supreme Court of the Philippine Islands perfected before the Act of September 6, 1916, is governed by § 248 of the Judicial Code, which gives this court jurisdiction in all cases in which any treaty of the United States is involved. P. 75.

A decision of the Supreme Court of the Philippines that the name "Isabela" is a geographical and descriptive term not subject to registration as a trade-name under the law before or since the cession of the Islands, and that its use as a designation of cigars and cigarettes was not unfair competition, and that the suit was not for infringement of a trade-name, "La Flor de la Isabela," registered under the Spanish regime, *held* not to involve the provisions of the Treaty of Paris of 1898, Arts. VIII and XIII, providing that the cession shall not impair property rights previously acquired, and that rights of property secured by copyrights and patents acquired by Spaniards in the Islands shall be continued and respected. P. 75. *Ubeda* v. *Zialcita*, 226 U. S. 452, distinguished.

Appeal to review 33 Phil. Rep. 485, dismissed.

THE case is stated in the opinion.

Mr. F. C. Fisher for appellant.

Mr. Harry W. Van Dyke for appellee. *Mr. Edmund W. Van Dyke* was also on the brief.

MR. JUSTICE DAY delivered the opinion of the court.

Suit was brought by the appellant, a corporation organized under the laws of Spain, in the Court of First Instance of Manila. The complainant set up that for more than twenty-seven years it had been engaged in the business of manufacturing cigars and cigarettes in the Philippine Islands. That its factory is known as "La Flor de la Isabela," which name is used upon the packages and containers of the products manufactured by complainant and on the advertising matter in its cigar and cigarette business. That on April 5, 1887, the Kingdom of Spain as the sovereign authority in the Philippine Islands issued to it, under laws then in force, a certificate of registration and ownership of certain trade-marks and trade-names and label designs therein described and enumerated, including the trade-name "La Flor de la

Isabela" conferring the right upon the complainant to all the benefits appurtenant thereto, including the right to prosecute for infringement. That the trade-name has been in continuous use solely by the complainant from the issuance of the Spanish certificate of registration and ownership to the time of bringing suit, except for the acts of the appellee. That by reason of the long-continued use of the phrase "La Flor de la Isabela" to designate its factory and its products the said phrase and sundry abbreviations thereof when applied to the manufactures of tobacco as a distinguishing brand or name had come to have a secondary meaning designating and denoting that they are the products of its factory. In common parlance the name "La Flor de la Isabela" is abbreviated to "Isabelas" when applied to cigars or cigarettes. That on or about the first of June, 1914, the defendant, now appellee, a corporation organized under the laws of the Philippine Islands, engaged in the manufacture and sale of cigars and cigarettes in Manila and elsewhere in the Philippine Islands, unlawfully misappropriated to its own use and benefit the word "Isabelas" in its secondary meaning as a distinguishing brand or name of its tobacco products. That the unlawful use of the name "Isabelas" as the distinguishing brand or name of the products of the defendant is calculated to deceive the public into the belief that the goods of the defendant so designated and branded are the goods manufactured by the complainant, and that the use thereof by the defendant will cause it irreparable injury. An injunction was prayed against the defendant, and an accounting sought.

The Court of First Instance found in favor of the complainant because of its exclusive ownership of the Spanish trade-mark, and in favor of the defendant on the question of unfair competition. Upon appeal to the Supreme Court of the Philippine Islands, that court found in favor of the defendant upon both issues, and directed a reversal of the

judgment below. 33 Phil. Rep. 485. Appeal to this court was sought and allowed upon the ground that the judgment of the Supreme Court was in an action which involved the Paris Treaty of 1898 between the United States and Spain, because it is therein provided that the property rights of private establishments or associations having legal capacity to acquire and possess property, and especially the rights of property secured by copyrights and patents acquired by Spaniards in the Philippine Islands at the time of the ratification of the treaty, shall not be impaired, but shall continue to be respected.

This appeal was perfected before the Act of September 6, 1916, 39 Stat. 726, and is controlled by § 248 of the Judicial Code, which provided that this court should have jurisdiction to review, revise, reverse, modify or affirm the final judgments and decrees of the Supreme Court of the Philippine Islands in all actions, cases, causes, and proceedings in which the Constitution, or any statute, treaty, title, right, or privilege of the United States is involved.

The contention is that the provisions of this treaty were involved in the decision of the Supreme Court, thereby authorizing this appeal.

By the Treaty of Paris of 1898, Spain ceded to the United States the archipelago known as the Philippine Islands. In Article VIII of the treaty it is provided that the relinquishment or cession, as the case may be, "cannot in any respect impair the property or rights which by law belong to the peaceful possession of property of all kinds, of provinces, municipalities, public or private establishments, ecclesiastical or civic bodies, or any other associations having legal capacity to acquire and possess property in the aforesaid territories renounced or ceded, or of private individuals, of whatsoever nationality such individuals may be." Article XIII provides that "The rights of property secured by copyrights and patents ac-

quired by Spaniards in the Island of Cuba and in Porto Rico, the Philippines and other ceded territories, at the time of the exchange of the ratifications of this treaty, shall continue to be respected." Treaties in Force, 1904, pp. 722, 725, 726. [30 Stat. 1754.]

It is the evident purpose of these provisions, in view of the cession of territory made by Spain to the United States, to preserve private rights of property, and to provide that the change of sovereignty should work no impairment of such rights.

The Philippine Act of 1902, carried into the section of the Judicial Code which we have quoted, intended to give this court jurisdiction in cases involving rights secured by the Treaty of 1898 and other treaties of the United States. A good illustration of a case of this character is found in *Vilas* v. *Manila*, 220 U. S. 345, where certain claims were made against the City of Manila, which it was contended survived, notwithstanding the cession to the United States. A writ of error was sued out to a judgment of the Supreme Court of the Philippine Islands denying relief because of its holding that the municipality of Manila after the treaty was a totally different corporate entity and in nowise liable for debts created under the Spanish sovereignty. Exception was taken to the jurisdiction, but this court held that the case involved the Treaty of 1898, as the question was made to turn in the court below upon the consequence of the change of sovereignty and the reincorporation of the city after the substituted sovereignty. Mr. Justice Lurton, who delivered the opinion of the court, said: "This disposes of the question of the jurisdiction of this court grounded upon the absence from the petition of the plaintiffs of any distinct claim under the treaty of Paris, since under § 10 of the Philippine Organic Act of July 1, 1902, this court is given jurisdiction to review any final decree or judgment of the Supreme Court of the Philippine Islands where any treaty of the

United States 'is involved.' That treaty was necessarily 'involved,' since neither the court below nor this court can determine the continuity of the municipality nor the liability of the city as it now exists for the obligation of the old city, without considering the effect of the change of sovereignty resulting from that treaty. See *Reavis* v. *Fianza*, 215 U. S. 16, 22."

In this case no such question is presented. The decision involved no consideration of treaty rights, nor were the same discussed in the judgment in the court below. The Philippine Supreme Court, in determining the issues, held that the name "Isabela," which appellee was charged with using, was a geographical and descriptive term and incapable of registration as a trade-mark either under the Philippine Act No. 666, or the law as it existed under the Spanish regime; that the Spanish trade-name as registered consisted of the words "La Flor de la Isabela" and the trade-mark of a shield with certain devices thereon. That the action was not for the infringement of the trade-name "La Flor de la Isabela," but was for the violation of the trade-name "Isabela." And that unfair competition was not shown.

Certainly the treaty, in providing that property rights of this class should be respected, did not intend to prevent the consideration by the courts of the nature and extent of the rights granted, or prohibit the application of laws for the enforcement and regulation of such property rights when not in derogation thereof. Philippine Act No. 666, § 14, Comp. of the Acts of the Philippine Comm., § 68, itself provides that certificates issued under the Spanish sovereignty, unannulled under the royal decree of 1888, shall be conclusive evidence of the exclusive right of ownership of such trade-marks or trade-names.

Reliance is had by appellant, to sustain the jurisdiction, on the decision of this court in *Ubeda* v. *Zialcita*, 226 U. S. 452. There suit was brought upon a trade-mark registered

under the Spanish regime. The record shows that the appeal was allowed upon two grounds: (1) that the amount involved exceeded $25,000; (2) alleged violation of treaty rights in the decision that the trade-mark being itself an imitation of earlier trade-marks prevented an injunction in favor of its owner. As to the treaty claim this court said (p. 454): "In such a case [the wrongful appropriation of an earlier mark] the Philippine act denies the plaintiff's right to recover. Act No. 666, § 9. See § 12, and No. 744, § 4. Compiled Acts, §§ 63, 66. It is said that to apply the rule there laid down would be giving a retrospective effect to § 9 as against the alleged Spanish grant of December 16, 1898, to the plaintiff, contrary to the general principles of interpretation and to Article 13 of the Treaty of Paris, April 11, 1899, providing that the rights of property secured by copyrights and patents shall continue to be respected. But the treaty, if applicable, cannot be supposed to have been intended to contravene the principle of § 9, which only codifies common morality and fairness. The section is not retrospective in any sense, for it introduces no new rule."

Certainly, this was far from holding that a right of appeal existed because a right secured by the treaty was involved.

The present case was decided upon grounds entirely compatible with continued respect for the trade-mark and trade-name rights granted by the Spanish sovereignty. It results that in the sense of the statute, giving a right to review in this court, no treaty of the United States was involved in the decree which it is sought to reverse.

The appeal must be

Dismissed.